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NEWS SUMMARY

GENERAL

Polish security arrests 3,500

Polish security forces arrested and detained 3,500 people in the past 48 hours in a tightening of martial law.

Security checks were made on 50,000 shops and factories and 30,000 cars, said Polish radio. About 99,000 identity cards were checked and 29,000 people were "reminded of their duties."

The public was not strictly adhering to the martial law decrees, said the news agency PAP. Most common violation was of the 10 pm-5 am curfew in the cities. Back Page

Less jargon

The Government launched a drive to reduce the number of official forms and leaflets and to simplify the rest. Back and Page 7

Channel link

Transport Secretary David Howell favours going ahead with a Channel link—but no schemes have yet met the Government's criteria. Back Page

Fares ruling

Merseyside County Council won a High Court case over its cheap bus fares scheme, which is supported by a 6p supplementary rate. Page 8

West Bank plan

Israel plans to build 30 new settlements in the occupied West Bank, Gaza Strip and Golan Heights in the coming fiscal year. Page 4

Three inquiries

Three official inquiries — two Canadian and one U.S.—will be held into Monday's oil rig disaster off Newfoundland, which cost 84 lives. Page 4

Bomb wave

A Corsican separatist group claimed responsibility for 17 bomb attacks in Paris which caused minor damage but no casualties.

Paris snatch

Paris has an average burglary rate of 26 a year for every 1,000 residents—the highest in the world's big cities, say insurance figures.

Water protest

Welsh nationalists disrupted the Commons Welsh Affairs Committee to protest against high water charges.

Thatcher bill

Mrs Thatcher will personally pay all outstanding bills for the rescue last month of her son Mark from the Sahara.

½p damages

An amateur yachtsman was was awarded ½p libel damages at Winchester for an article and picture in Yachting World which he said implied he was a thief. The magazine said the article was a spoof.

Test opens

Sri Lanka were 183 for eight at the end of the opening day of their five-day inaugural cricket test against England.

Briefly . . .

Thelonious Monk, jazz pianist and composer, died in New Jersey aged 64.

Seven members of one family were found shot dead in a Michigan farmhouse.

Lee Strasberg, founder of New York's Actor's Studio, died aged

Three raiders snatched £150,000 wages from outside a bank in Slough.

... were stabbed in Harrogate in a clash between National Front and Anti-Nazi League followers.

BUSINESS

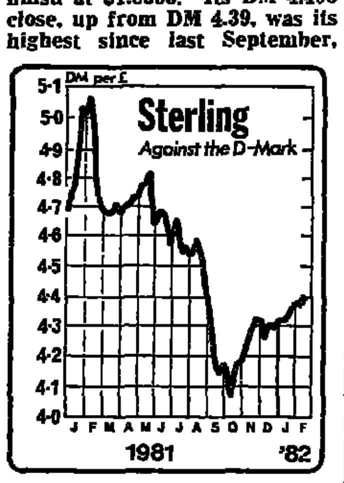
Gilts up 0.51; dollar recovers

● GILTS were undaunted by further U.S. prime rate rises. The Government Securities index gained 0.51 to 65.34. Page 34

● EQUITIES leaders edged forward to close at the day's best. The FT 30-share index closed 6.4 higher at 563.6. Page 34

● DOLLAR finished at its best level of the day, DM 2.3990 (DM 2.3950). It improved to SwFr 1.915 (SwFr 1.911), but eased to Y240.5 (Y240.6). Its trade-weighted index fell to 113 (113.4). Page 28

● STERLING rose 40 points to finish at $1.8355. Its DM 4.405 close, up from DM 4.39, was its highest since last September,



and it was also higher at SwFr 3.5175 (SwFr 3.505) and FFr 11.175 (FFr 11.1275). Its trade-weighted index was up to 91.7 (91.6). Page 28

● GOLD closed $2.75 lower at $372.75. Page 28

● WALL STREET was down 0.29 to $31.05 near the close. Page 32

● TAKE-HOME PAY real value fell by about 4½ per cent last year. Back Page

● FORD workers at Halewood have achieved a substantial increase in productivity on the Escort this year. Back Page

● MERCURY, the £50m joint venture project to set up a communications network to compete with British Telecom has run into difficulties again. Back Page

● STOCK EXCHANGES' new chief executive is Jeffrey Knight, who succeeds Robert Fell. Back Page

● ACC takeover battle courtroom drama continued with an announcement that a new legal attack is to be made on Mr Robert Holmes à Court. Page 6

● COAL BOARD was told by energy ministers that it would have to reduce losses by at least £80m during the coming financial year. Page 6

● SEALINK UK hopes to make a pre-tax profit of nearly £4m this year after losses in 1980 and 1981. Page 7

● TUC told the Government that it wishes to be fully involved in determining the direction of economic policy. Page 10

● LUCAS is to set up a 50-50 joint venture in the U.S. with Dayton-Walther to make truck brakes for the North American market.

● BATH AND PORTLAND Group's recovery continued, with taxable profits for the half-year to end October up by £982,000 to £1.77m. Page 24

● BIRMID QUALCAST showed a strong recovery in the second half, resulting in a full-year pre-tax surplus up from £225,000 to £1.64m. Page 25; Lex, Back Page

● GILLETT Brothers Discount Company finished the year to end-December with profits of £231,211 after tax and a transfer from contingencies, compared with £574,785 previously. The dividend is cut by 8.96p. Page 25; Lex, Back Page

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES						
...sy 11½pc 1985	£91¼	+ ¼	Inter-City	52	+ 14½
...s 14pc '98-01	£96½	+ 1½	Lincroft Kilgour	36	+ 3
...imedes Cap	60	+ 11	L'pool Daily Post	147	+ 7
...l Newspapers	192	+ 7	Moss Eng	108	+ 5
...vys, Yorkshire	74	+ 12	Paterson Jenks	81	+ 5
...id Qualcast	32	+ 4	Peachey Prop	158	+ 7
...iter	263	+ 15	RHM	68	+ 2
...	361	+ 4½	Royal Bk Scotland	125	+ 4
...sh Sugar	408	+ 11	Thorn EMI	463	+ 6
...sh Bacon A	98	+ 8	Candecca	196	+ 11
...e Star	384	+ 20	FALLS		
...s Gross	126	+ 6	Comet Radiovision	113	− 10
...	830	+ 10	Gillett Bros	140	− 42
...lman Bros	23	+ 10	Anglo Amer Gold	£35¼	− 1½
			Hartebeest	£23¾	− 1

Zimbabwe in political crisis after Mugabe dismisses Nkomo

BY TONY HAWKINS IN SALISBURY

ZIMBABWE was last night plunged into its deepest political crisis since winning independence nearly two years ago as Mr Robert Mugabe, the Prime Minister, dismissed his junior coalition partner, Mr Joshua Nkomo, from his Government.

The sacking, which also includes two other senior Cabinet Ministers belonging to Mr Nkomo's Patriotic Front (Zapu) effectively ends the coalition which has governed Zimbabwe since independence in April 1980.

Although Mr Mugabe, whose Zanu-PF party holds 57 of the 80 black seats in the 100-member National Assembly, faces no immediate threat to his authority, Mr Nkomo is now expected to launch Zapu as the country's main opposition party.

M Nkomo described the break-up of the coalition as a "tragedy" and said allegations that the discovery of arms caches recently indicated a plot to overthrow the government were "a straightforward lie." He pledged that Zapu would remain in Parliament as an opposition party.

The most critical question in the days ahead is whether the country's 55,000 strong national army, mainly composed of former Zanu and Zapu guerrillas, will remain aloof from the rising political tension.

In what was seen as a reflection of government concern, Mr Mugabe said that Zapu members of the armed forces would keep their posts, as would Zapu appointees in the public service, pending a full investigation of the alleged plot.

Mr Mugabe told a news conference that large arms caches and armoured cars found over the weekend on property owned by Mr Nkomo's Zapu party were stockpiled in preparation for a plot against the Government.

He accused Mr Nkomo of having sought South African backing for a coup on two previous occasions since independence. The South African Government refused to back the Zapu leader, Mr Mugabe claimed.

"He knew about these arms being hidden for a war," he said. "None of these arms could have been hidden without him countenancing it."

Mr Mugabe also dismissed Mr Josiah Chinamano, the Minister of Transport, Mr Joseph Msika, the Natural Resources Minister and secretary-general of the Patriotic Front, and a Deputy Minister for Mines, Mr Jini Ntuta. All are accused of complicity in the latest plot.

Two other Zapu deputy ministers have been allowed to return their posts and have said they will consult their party.

An unknown number of Zapu members have been detained and security sources said that offices and homes of Zapu officials were being searched.

Mr Mugabe announced that Dr Bernard Chidzero, the respected Minister of Economic Planning, would take on the Finance portfolio as well in a Cabinet reshuffle partly due to the sackings.

This news should help reassure the business community, for Dr Chidzero has an international reputation as an experienced and pragmatic economist who was formerly a top official with Unctad.

Leyland stewards to call for strike to continue

BY NICK GARNETT, NORTHERN CORRESPONDENT

LEYLAND VEHICLES shop stewards will recommend workers at the company's sites in Lancashire, and at Bathgate, near Glasgow, to continue the four-week strike over BL's corporate plan.

The company will be plunged into a major crisis if the recommendation, which follows meetings yesterday, is accepted by mass meetings in Lancashire today and at Bathgate tomorrow.

Sir Michael Edwardes, BL chairman, is understood to be ready to recommend to the company's board tomorrow that it should consider pulling out of the truck business if the workforce votes to continue the stoppage.

Employees in Scotland, and at Leyland and Chorley in Lancashire have given shop stewards almost total backing in the dispute.

Several warnings have been issued recently by management. Mr David Andrews, group chairman, told the company's 12,000 employees in a letter this week that a continuation of the strike "could put us out of business within days."

Although the strike committee for the Lancashire sites would not disclose its decision, it is known it was unanimously in favour of the strike continuing.

The separate decision of Bathgate shop stewards was not unanimous but was overwhelmingly in favour of the same recommendation.

Sir Michael has written to Mr Terry Duffy, President of the Amalgamated Union of Engineering Workers, warning of plant closures if the workforce voted to continue the strike. The latter is likely to be read out to the mass meetings. National union officials have made no recommendation following the collapse of talks with the company on Monday.

Leyland Vehicles, which has been losing money at the rate of £2m a week, says the plan is necessary for its survival.

It includes 1,833 job losses in Lancashire and 1,365 at Bathgate, where tractor making will end.

At the Leyland plant production of two of four engine ranges would end. This is linked with a considerable transfer of work between Leyland Vehicles sites.

The workforce has been seeking the retention of all existing manufacturing, and increased investment, which Sir Michael said this week would require a "staggering £600m over the next five years."

Leyland Vehicles yesterday released details of an independent opinion poll commissioned from the Opinion Research Centre. This was carried out among 488 people, in Leyland, Chorley and Preston, of whom 103 were Leyland Vehicles employees.

More than three quarters of the general public and two thirds of employees thought the unions should end the strike quickly.

Three quarters of both groups thought the strike was unlikely to succeed. But half the employees questioned either did not know or thought management was bluffing by saying the future of the company was at stake.

Leyland strike leaders stand firm, Page 9

Rail guards strike tomorrow

BY PHILIP BASSETT, LABOUR CORRESPONDENT

RAIL SERVICES to and from London and across the south east face disruption tomorrow because of unofficial action by guards over flexible rostering, which is at the centre of the present train drivers' official dispute.

The drivers' union, the Associated Society of Locomotive Engineers and Firemen plans to continue its action and will halt all trains today. Stoppages are also planned for Sunday and next week.

The warning of an unofficial 24-hour strike from midnight tonight in the south east came as all sides in the drivers' dispute attended talks with the Advisory Conciliation and Arbitration Service and Mr Len Murray, TUC general secretary, over the report of the independent inquiry into the Aslef dispute, chaired by Lord McCarthy.

An unofficial committee of National Union of Railwaymen shop stewards have called a strike from tonight, which could affect about 3,000 guards from about 20 different depots in London and the south east.

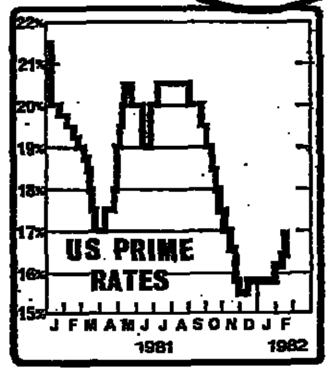
The depots include King's Cross, Paddington, Charing Cross, Victoria, St Pancras, Brighton, Southend, Guildford, Tilbury, Epsom, Ilford, Streatham Hill and Acton. This action could severely hit commuter traffic and affect inter-city services to and from London.

The effect of the action could be limited, however, by the fact that any guards who take unofficial action will have their pay stopped for the two days of official strike next Tuesday and Thursday, which Aslef called. The unofficial NUR committee, comprising representatives of 32 branches, also decided to call on the NUR to initiate official industrial action over flexible rostering alongside Aslef. The committee is also organising a march and a lobby of the NUR executive meeting tomorrow morning.

While the NUR nationally has agreed flexible rostering, it has been having difficulty selling it locally. At a hostile meeting earlier this week of guards' representatives, two senior officials failed to persuade them to call off tomorrow's action.

The prospect of the McCarthy report paving the way for a settlement of the Aslef dispute was undercut yesterday, when the union's executive called the strikes next week and reaffirmed a stoppage for the following Sunday.

At the Acas talks, BR was seeking clarification from Aslef of its commitment to flexible rostering, following the BR board's refusal to accept the terms of the McCarthy report until the union's position on the issue was clear.



U.S. banks lift prime to 17%

By David Lascelles in New York and Reginald Dale in Washington

U.S. BANKS raised their prime rates again yesterday from 16½ per cent to 17 per cent.

The increase in the rate they charge to their best corporate borrowers is the second in only ten days. It came as President Reagan received Mr Wilfried Martens, the Belgian Prime Minister and Chairman of the EEC Council of Ministers, who was expected to convey Europe's concern over persistently high U.S. interest rates.

The increase came despite fresh signs of U.S. economic weakness in the form of a 3 per cent drop in industrial production in January, reported by the Federal Reserve Board yesterday.

The banks' move, led by Chase Manhattan and quickly followed by most other leading banks, came in response to the dramatic rise in U.S. interest rates in the past few days as worries continued to grip Wall Street about the recent excessive growth of the money supply.

The Fed, in an effort to stem that growth, has been choking off the supply of reserves to the banking system. This has driven up the Fed funds or overnight interbank rate which is a key determinant of bank funding costs.

The White House confirmed yesterday that Mr Reagan had met Mr Paul Volcker, the chairman of the Federal Reserve, on Monday, though a spokesman refused to say what was discussed. Previously the White House had refused to confirm that the meeting took place, saying that publicity was not welcome.

The European delegation which met Mr Reagan consisted of Mr Martens, Mr Leo Tindemans, the Belgian Foreign Minister, and Mr Willy de Clercq, the Belgian Finance Minister.

There was no request for specific policy changes by the Reagan Administration. It is unlikely such a call would have been heeded anyway with Mr

Continued on Back Page
U.S. industrial output fall quickens, Page 4

Career managers to run French State industries

BY DAVID HOUSEGO IN PARIS

THE FRENCH Government opted for experienced managers yesterday when it named the heads of the major industrial groups and banks taken over under its nationalisation law.

There were few active Socialists and no trade unionists among those appointed to head the five industrial companies and 21 banks, in the largest changeover at the top of the French public or private sector since the war.

Most taking up posts in the Socialist Party administration's ambitious attempt to transform France's industrial structure come from the traditional mould of French administrators, and their nomination would not have caused surprise under the previous régime of President Valéry Giscard d'Estaign.

President François Mitterrand emphasised his nominees' professional competence at yesterday's Cabinet meeting at which the list of names was completed. The new chairmen had been chosen on the basis of their ability to do the job, he said.

Questions

Seeking to remove any fear of State interference in the day-to-day running of the newly nationalised banks and industrial groups, he said that "their autonomy of decision and action would be total."

The extent of their independence, however, remains one of the major open questions.

In the coming months, before new boards are appointed under a law providing for "democratisation of the public sector," they will enjoy wide powers.

Trade unions are to be given board seats as of right; a potential factor for conflict.

The three new chairmen of the industrial groups are M Jean-Pierre Brunet, a diplomat who served as ambassador in Bonn and Tokyo, to Compagnie Générale d'Electricité; M Alain Gomez, head of the packaging division of St Gobain, to Thomson-Brandt; and M Georges Besse, head of the nuclear fuels division of the Atomic Energy Commission, to Pechiney Ugine Kuhlmann.

Two chairmen are being kept on, M Roger Fauroux of St Gobain and M Jean Gandois at Rhône-Poulenc.

In the banking sector M Jean-Yves Haberer, now Director of the Treasury, has been appointed to head the Paribas group; and M Georges Plescoff, head of the State-owned insurance company AGF, to Indosuez.

The Government clearly expects loyalty to the general objectives of its nationalisation programme. But of those named yesterday only M Alain Gomez at Thomson, M René Thomas at Banque Nationale de Paris, M Guy Raoul-Duval at Crédit Commerciel de France, and one or two others are known as active Socialists.

In related appointments, a Communist, M Georges Valbon, was appointed to head Charbonnages de France, the State coal authority; and a pro-Socialist trade unionist, M Michel Rolant, to direct a new energy agency.

Competitive

The President stressed that the new nationalised sector would be run on a competitive basis and that he would ask the Government to adhere strictly to that principle.

M Pierre Maurcy, the Prime Minister, defined the objectives of the nationalised industries as employment, competitivity and international growth, to be achieved through increased investment and research.

The immediate task before the heads of the newly nationalised groups will be to draw up four-year targets that form the basis of planning contracts to be signed with the Government.

They are also expected to accelerate investment expenditures.

The Government has refused to give its own projections of the amount of spending involved or how it will be financed.

Investment

But much investment spending will be over the longer term and relate to restructuring of the electronics, chemicals and steel sectors.

Still unresolved is the future of the three groups in which foreign shareholders have a large stake — Cie/Honeywell Bull; Roussel-Uclaf; and ITT France.

M Pierre Dreyfus, the Industry Minister, who presented an outline industrial strategy to the Cabinet yesterday, said that talks should be speeded now that the main nationalisation measures had been passed.

Profiles, Page 3
Men and Matters, Page 22

£ in New York

—	Feb. 16	previous
Spot	$1.8390-8410	$1.8300-8350
1 month	0.32-0.37 pm	0.28-0.33 pm
3 months	0.97-1.02 pm	0.82-0.87 pm
12 months	3.10-3.25 pm	2.60-2.70 pm

CONTENTS

For latest Share Index phone 01-246 8026

Bonn trade with Comecon shows deficit of £148m

BY LESLIE COLITT IN BERLIN

WEST GERMANY, the leading Western trade partner of Comecon, had a DM 650m (£148m) trade deficit last year with the seven European Communist countries, its first since 1965. In 1980, Bonn still had a trade surplus with Comecon of DM 1.5bn (£340m).

Experts on trade with Comecon expect the deficits to continue in coming years because of the chronic payments problems of Eastern Europe and the Soviet Union, as well as reluctance by West German banks to take greater risks in the area.

West Germany's trade deficit with the Soviet Union hit a record DM 1.6bn, with exports rising by only DM 100m to DM 7.6bn, *while imports from* the Soviet Union expanded by DM 1.7bn to DM 9.2bn. Most of the increase in the value of Soviet exports came from higher energy prices. Although Soviet oil deliveries to West Germany fell from 2.8m tonnes in 1980 to 1m tonnes last year, *exports of natural gas increased.*

Dr Jochen Bethkenhagen, a Comecon specialist with the German Institute of Economic Research (DIW) in West Berlin, said the West German deficit in trade with Comecon is likely to continue "over the next two to three years."

He noted that the recent Soviet contracts with West German companies to deliver large diameter pipe and compressor stations, for the natural gas pipeline from Western Siberia will be spread out over several years. In addition, Poland is expected to fall in importance as a market for West German goods. *Dr Bethkenhagen* pointed out, however, that large West German companies will continue to pursue sales to Comecon, as they have been highly profitable in the past.

Exports by West Germany to Comecon countries, excluding *East Germany, fell 0.8 per cent* last year to DM 17.1bn, while imports rose 11 per cent to DM 17.4bn. West German trade with East Germany last year, which Bonn regards as inter-German commerce, is expected to have achieved a rare surplus for East Germany of DM 350m. *Much of this* was attained by exports of petrol and other petroleum products to West Berlin. Total East-West German trade in 1981 is believed to have topped DM 13bn.

West Germany's previously large surpluses in trade with Poland and Romania dwindled last year. Exports to Poland fell 18.8 per cent to DM 2.160bn, while imports fell 14.7 per cent to DM 2.128bn. In 1980, West Germany still had a surplus with Poland of DM 165m.

Exports to Romania fell 7.1 per cent to DM 1.608bn, while imports dropped 6.4 per cent to *DM 1.596bn.* West Germany's surplus in 1980 was still DM 24m. Bonn's deficit with Czechoslovakia widened last year and it only achieved modest trade surpluses with Hungary and Bulgaria.

Danish oil tax opposed

BY HILARY BARNES IN COPENHAGEN

U.S. COMPANIES awarded licences to exploit oil and gas resources in the Danish sector of the North Sea could find themselves paying up to 130 per cent tax on their earnings, Mobil Oil has told members of Parliament's tax committee.

This, it claims, would be the consequence of a Bill now going through the Danish legislature. *The problem arises* not so much because the tax rates envisaged by the Danes are high but because there is no double taxation agreement between the United States and Denmark. This means that U.S. companies cannot set off tax paid to Denmark against U.S. tax.

The Danish Government assumes it will be able to negotiate an agreement with Washington to eliminate the double tax effect of the Bill, but the oil companies believe its confidence could be misplaced.

Norway and Britain have negotiated such agreements, but opinion in the U.S. Senate since then has swung against the conclusion of further bilateral double tax agreements.

Denial fails to dispel Italian fears on torture

By Rupert Cornwell in Rome

A FORMAL denial in Parliament this week by Sig Virginio Rognoni, the Interior Minister, has failed to dispel widespread reports here that the Italian police have been using torture *to extract confessions from* captured terrorist suspects.

The suspicions have sprung both from the astonishing inroads made by the authorities into Left-wing extremist groups this year, as well as from detailed complaints from defence lawyers, magistrates, and relatives of some of those taken into custody.

In the past seven weeks, police have seized more than 200 suspected members of the Red Brigades and its sister organisation, Prima Linea (Front Line). More than 160 have been rounded up since the release of Gen James Lee Dozier in Padua on January 28, when five of his Red Brigades kidnappers were arrested.

The loudest misgivings have been voiced by the small Left-wing Radical Party. But the most significant have come from the Communists, who have always taken a particularly tough line against terrorism. L'Unita, the party newspaper, earlier this week claimed to have "alarming evidence" confirming reports that torture had been employed.

Sig Rognoni told *Parliament* that the allegations, of both widespread beatings of suspects and the use of "truth drugs," were unfounded. Interrogations had been conducted "according to the laws of the republic, and with full democratic guarantees."

He did admit, however, that a judicial inquiry had been set up into the case of Sig Gianfranco Fornoni, a member of Prima Linea, captured last month during a manhunt after the murder of two young Carabinieri officers. Sig Fornoni's lawyers *have claimed* he was stripped and systematically tortured by police.

Meanwhile, the net cast by the security forces has drawn in suspects from many walks of public life. A massive search is under way for a telephone *operator* at the *Italian Parliament*, who has been identified as one of the terrorists who attacked Sig Nicola Simone, a senior police officer, at his Rome apartment in January.

Britain's budget demands are again perplexing the EEC

Stooping to avoid the ceiling

BY JOHN WYLES IN BRUSSELS

AT FIRST glance, the row between the UK and its EEC partners over payments to the Brussels budget seems like a re-run of the 1980 battle. The difference, however, is that there is not enough money in the Community budget this time to finance a happy ending.

The implications are perplexing and will make a political agreement significantly more difficult to achieve than the two-year deal settled in May 1980. When a new agreement is found, it could result in some governments, probably those of France, Denmark and the Benelux countries, paying more into the Community budget.

The experts searching for a formula to resolve the arguments have known for some time that the cupboard is bare. During their negotiations in December and January, EEC *foreign ministers* chose to turn a blind eye to the problem because it would have guaranteed failure. That round of talks ran into the sand on January 25, but for other reasons.

As the ground is prepared for *more difficult discussions* by Community heads of government at the end of March, it is reasonably certain that the money for the UK cannot come from the Brussels budget. To begin with, EEC budget revenues are already close to their ceiling. The budget is *funded by the transfer to Brussels of all income from customs* tariffs and levies on EEC agricultural imports. In the past, this has covered just over half the EEC's spending needs. The balance has come from value added tax (VAT) under the "own - resources" agreement, which estimates retail sales on a common basket of goods in Community countries and allows the EEC to levy each member state up to a maximum of 1 per cent of the value of these sales.

Brussels' share of the VAT "take" is now 0.92 per cent and rising. The result is that the expected margin this year between spending and total available revenues is only *£550m on a budget of more than £12bn.*

As line three of the table shows, the Commission estimates a margin of 1.58bn ecu (£885m) in 1983 and 760m ecu (£425m) in 1984. Unless money is pruned off other spending policies, these figures represent *all there is available for return*ing to the UK to reduce its budget contributions.

Estimates vary about how much Britain would have to pay without rebates. But unofficial figures circulating here suggest an increase from 1.5bn ecu in 1981 (reduced to 95m ecu by the 1980 agreement) to 2bn ecu (£1.12bn) this year, 2.67bn ecu (£1.5bn) in 1983 and 2.84bn ecu (£1.6bn) in 1984.

Even if all the "spare" money in the 1983 and 1984 budgets were handed to Mrs Margaret Thatcher, the UK would still be transferring around £1.7bn to Brussels over the two years—a burden which the British Prime Minister is likely *to refuse to bear.*

The calculations are further complicated by demands from at least three other member states which also want a special arrangement.

Special handouts to the UK have to be paid for through increased payments from other member states to the budget. Ireland and Greece think they should be excused at least half of any extra payment because they are the two poorest EEC countries.

West Germany also wants to be let off at least half on the grounds that it is already paying much more *than its fair* share to Brussels by comparison with other well-off member states.

Satisfying the UK's needs and those of Ireland, Greece and West Germany could involve an arrangement whereby Britain gets the cash but the three reluctant donors are compensated by an increased share of money from, for example, the regional and social fund programmes. The total cost of the deal could then, according to most calculations, rise by more than 50 per cent, so that a 1bn ecu refund to Britain would actually cost a net 1.5bn ecu.

The foreign ministers last month came close to approving a formula which could have yielded refunds for Britain of 1.4bn ecu in 1983 and 1.6bn ecu in 1984. These might be closer to the figures Mrs Thatcher has in mind, but with the add-on cost of satisfying the three other member states, the budgetary well would be dry long before all the money could reach the British treasury.

The Commission's preferred solution to this funding problem *is to raise the* 1 per cent VAT limit, but it knows that the UK and West Germany would veto such a move. So it is more likely to propose a levy on each member state which would have nothing to do with the budget and which would be adjusted to take care of Ireland, Greece and Germany. For the moment, the Netherlands is insisting that everything should be done out of the budget, and some other governments are reluctant to consider alternatives.

EUROPE'S TOP HEAVY BALANCE SHEET
(in Ecu bn—1 Ecu=£0.56)

	1982	1983	1984
Total budget revenues up to 1 per cent VAT limit	22.975	24.965	27.245
Spending estimates*	21.9	23.385	26.485
Margin	0.984	1.580	0.76
Possible UK rebates on provisionally agreed formula	—	1.4	1.6
Total cost to budget with 50 per cent "add-on"	—	2.1	2.4

* Actual in 1982 and including 1.685bn Ecu total cost rebate to UK.

MEPs warn Brussels of 'gathering storm'

BY OUR BRUSSELS CORRESPONDENT

SIR HENRY PLUMB, new *Leader of the British Conservatives in the European Parliament*, yesterday supported the idea of a parliamentary vote to dismiss the European Commission unless its handling of the major EEC issues improved.

His willingness to speculate publicly on this indicates the strengthening mood among members of the parliament that they must use their power to dismiss all 14 Commissioners before the next European elections in June 1984.

For many MEPs, this must be done irrespective of whether the Commission actually deserves to be sacked. They say that the *parliament* has all too *little* power and that everything must be done to put it more firmly on the Community's political map before the elections.

Dismissal of the Commission by a two-thirds majority would provoke a major conflict with EEC governments.

Sir Henry told a news conference yesterday that parliament would be justified in sacking the Commission if the conflict over Britain's payments to the Community budget forces the UK to block an agreement to raise EEC farm prices. He regretted the fact that the UK might need to do this.

A former chairman of Britain's National Farmers Union, who toppled Sir James Scott-Hopkins from the European Democratic Party leadership last week, Sir Henry also criticised the Commission's performance in the area of competition policy.

His theme was taken up in a speech to parliament yesterday by Mr Robert Jackson, another Conservative MEP, who warned the Commission that a parliamentary storm was brewing "which will break about their heads."

Genscher to defend European Union plan

By Our Brussels Correspondent

Herr Hans Dietrich Genscher, the West German Foreign Minister, is expected to try next week to rescue his ideas for fresh moves towards European Union from the indifference and scepticism of other EEC member States.

The proposals, known as Genscher - Colombo because they are jointly sponsored by Sig. Emilio Colombo, the Italian Foreign Minister, have been accorded peremptory scrutiny only by three meetings of a specially-created working group of officials. Unless Herr Genscher encourages his fellow Foreign Ministers at a meeting next Tuesday to give these discussions more momentum, it is thought that the whole exercise may grind to a halt.

The West German Minister may be forced to spell out his priorities among the wide-ranging proposals, which are broadly aimed at strengthening and developing EEC co-operation. The conviction in many other EEC capitals is that Herr Genscher's main objective is to win agreement for much closer co-ordination on security issues.

West German officials have not been challenging this view, and there are some suggestions that the case for putting security matters on the Council of Ministers' formal agenda has been strengthened by recent difficulties with the U.S. Administration over Poland and East-West relations.

Broadly, Bonn is said to believe more firmly than ever in the need for a more coherent European voice in dealing with both the U.S. and the Soviet Union.

However, Irish neutrality poses a major obstacle to institutionalising EEC discussions on security matters. A concession by Dublin last year cleared the way for a formal agreement among the Ten that some security matters could be discussed in the informal context of "political co-operation." These discussions have been largely notable for the constant grilling of the German representative on what the various Genscher-Colombo proposals for a "European Act" actually mean.

France and the UK are said to have employed this approach to avoid taking definite positions.

Only Denmark has emerged as clearly opposed to the whole exercise.

Dreyfus charts path for nationalised companies

BY TERRY DODSWORTH IN PARIS

M PIERRE DREYFUS, the French Industry Minister, has the rare ability of combining the language of a hardened industrialist with that of a convinced central planner. He learned to play the dual role both as a bureaucrat and as head of the Renault motor group. But can the same kind of approach be extended to the enlarged public sector, which now controls over a third of France's industrial turnover?

Introducing plans for the nationalised industries yesterday, M Dreyfus laid great emphasis on pragmatism and dialogue as a means of making the sate sector work. Both these words give the flavour of nationalisation as he sees it: a system in which the objectives are clearly stated, but in which the means of achieving them leave a great deal of room for personal initiative and give-and-take.

This approach is evident in the planning structure the Industry Ministry intends to install for the nationalised sector. Broad objectives for different industries are to be established by the national plan. These ideas are then translated by the individual companies into long term (four- or five-year) plans, agreed with the Ministry. In turn, the long term plans are to be modulated on an annual basis to take account of the market and the economic environment.

This system, which M Dreyfus used at Renault, might have been borrowed in essence from the control mechanisms of any of the great international conglomerates which the French intend to combat. So, too, could many of the targets established for the newly-appointed chairmen of the enlarged public sector yesterday.

According to letters sent to them by the Minister, they must continually improve their competitiveness, realise sufficient profits to ensure the development of their companies and achieve a satisfactory return on capital. In addition, they have to plan for the long-term development of their groups, both in training staff, investing, and carrying out the essential research and development programme.

The state will then back enlarged investment programmes designed to achieve the "locomotive" effect of a more dynamic and internationally competitive industrial sector.

In return for achieving these targets, the managers who are running the system are promised a great deal of autonomy. But it remains highly unlikely that the new "patrons" will have as much room for manoeuvre as their predecessors—and it is here that critics of the new structure believe there may be a fatal weakness.

The first of these problems is centred on the question of the companies' flexibility in their investments. Some of the big groups being taken over, for instance, have made radical strategic choices in recent years that have taken them into totally new areas.

To take just one example, Saint-Gobain decided to invest heavily in computers and information systems as a way of growing away from its relatively stagnant traditional areas. It looks almost certain that it is now being told to go back to base and concentrate on developing what it had.

Similarly, the Government is turning its back on the free play of market forces in the reorganisation of the steel and chemicals industries. It said yesterday that the two big steel companies, Usinor and Sacilor, will work together on rationalising the industry, while base chemicals production, currently involving six companies, will be regrouped around three manufacturers.

In electronics also, it intends to push the companies involved in four main directions—micro-circuit production, information systems for industry, computers and consumer electronics.

Some critics argue that this kind of *dirigisme* will deprive the newly nationalised companies of the kind of flexibility needed in fast-moving markets. A similar question mark could also be put against the problem of disinvestments — the kind of closures that many of the "nationalisables" have pushed through over the past two years either to cut losses or release funds for more productive investments.

STATE SHARE OF INDUSTRY—BY TURNOVER

	Before Nationalisation %	After Nationalisation %		Before Nationalisation %	After Nationalisation %
Steel	1	80	Capital goods	3	14
Metalworking	13	63	Heavy engineering	0	5
Base chemicals	23	54	Arms	58	75
Synthetic textiles	0	75	Computer and office equipment	0	36
Plastics	4	15	Power generating equipment	0	26
Fine chemicals	5	14	Electronics	1	44
Pharmaceuticals	9	28	Consumer durables	0	25
Glass	0	35	Shipbuilding	0	17
Construction materials	1	8	Aircraft	50	84
Cardboard	0	9			
Foundry	4	22			
Machine tools	6	12	All industry	18	32

New men at the helm of France's state sector

ALAIN GOMEZ, new head of the French Thomson group (household electricals, electronics and arms), is the most politically "marked" of yesterday's appointees.

He was a co-founder of the Ceres group, which provides the theoretical backbone to the left of the Socialist Party. But his appointment cannot be classed as purely political, since he also enjoys a solid reputation as a manager at Saint-Gobain.

He also belongs to what is undoubtedly France's most unusual industrial partnership—his wife Francine being chairman of the Waterman pen company.

A lively, 43-year-old, M Gomez has been in charge of the packaging division and several other activities at Saint-Gobain—a company which has also been nationalised but which is not changing its chairman.

His background is international: school in Algeria and at the French lycée in London; a law degree in Paris; a spell at Harvard Business School; and finally, the ENA, the nursery of top French civil servants.

The management of the Thomson group has come in for some recent criticism. Once considered the darling of the French Government—partly because of its involvement in arms—it came under pressure towards the end of the Giscard administration for its apparent reluctance to commit itself in the field of applied electronics.

GEORGES BESSE, nicknamed "Mr Uranium," and one of the top figures in the French nuclear industry, came in yesterday as odds-on favourite to clinch the chairmanship of Pechiney Ugine Kuhlmann.

His predecessor, Philippe Thomas, was closely associated with the ancien regime of President Giscard d'Estaing, and a strong opponent of nationalisation. M Besse, having spent most of his carer in the public sector, takes a different view—but is one of those who insist that in order to work properly, state companies must have a high degree of autonomy.

As head of the uranium company Cogema, a subsidiary of the Atomic Energy Commission, whose activities include the reprocessing facilities at La Hague near Cherbourg, M Besse is no stranger to PUK which counts among its non-aluminium operations a substantial interest in nuclear fuels.

Coming from a working-class background in Clermont-Ferrand M Besse went up through the Ecole Polytechnique and a training as a mining engineer to join the Atomic Energy Commission 27 years ago. Now 54 he also has experience in the electronics industry, and was for five years assistant director of CIT-Alcatel, the communications arm of the CGE group.

JEAN-PIERRE BRUNET, until recently French ambassador in Bonn, steps in to take over as head of Compagnie Generale d'Electricite, the country's top electrical group.

His nomination as successor to Ambroise Roux—one of the prominent figures of French business, with strong Gaullist connections—can be seen as an attempt to reassure both local industry and the international community.

M Brunet, 62, is a career diplomat with a strong economic background, who has been on the council of the Bank of France and the boards of two successful state enterprises, Elf-Erap and Air France.

The son of a banker has earned the Croix de Guerre as a navy officer during the Second World War. After a period on the staff of the French embassy in London, he spent 13 years in the economic and financial department of the Foreign Minister.

Between 1961 and 1964, he was permanent representative at the EEC, and before Bonn he was ambassador to Tokyo—an experience which will come in useful in view of France's efforts to resist Japanese competition in electronics.

M Brunet's appointment quashes the hopes of Georges Pebereau, considered the industrial brain of the group, for the top post. But the 50-year-old M Pebereau is expected to be kept on as head of CIT-Alcatel.

JEAN-YVES HABERER, 49, who leaves the Civil Service to take over Paribas, is a familiar figure in both French domestic banking and in international financial circles.

In the late 1960s as an adviser in the Ministry of Economy, he was involved closely in pushing through the last major reform of the French banking system. Since 1978 as head of the Treasury, he has been France's representative at numerous international monetary gatherings and been chairman of the EEC monetary committee.

For the French Government seeking to restore the international prestige of the country's major international investment banking group after the damaging battles that accompanied its nationalisation, he seemed an obvious choice.

In fact, M Haberer, has quietly been dividing his time between Paribas and the Treasury in recent weeks—his appointment having been unofficially hurried forward because of the abrupt departure of Pierre Moussa.

Polished, remote, of great intellectual calibre and independence of judgment, M Haberer is a man who plays his cards close to his chest.

He shares M. Moussa's philosophy that the bank must be adventurous and dynamic.

M Haberer is a former pupil of the elite Ecole Nationale d'Administration.

JACQUES MAYOUX caused no surprise with his elevation to head of Societe Generale, the second largest of the three top banks that were already nationalised. He replaces Maurice Laure.

The Government had originally been expected to keep M Laure—the man credited with the invention of value-added tax—until his normal retirement date in the autumn.

M Mayoux is a 57-year-old former civil servant, banker and industrialist.

The job can be seen both as recompense for his work since 1978 at the head of the Sacilor steel group, where he was recently replaced after nationalisation, and as recognition of the fact that the government's plans for the banking sector take a number of leaves from a report which he drew up three years ago, at the behest of the Barre Government.

In his report, M Mayoux, a former director-general of Credit Agricole, the state-directed co-operative farmers' bank, criticised the banking system for being over-centralised and for its failings with regard to small companies.

In particular, he called for changes in the organisation of the big state banks—including Societe Generale. He can now be expected to push ahead with the bank's efforts to give more decision-making to regional operations.

NEW CAPTAINS OF INDUSTRY

Saint-Gobain group — M Roger Fauroux remains in control.

Rhone-Poulenc — M Jean Gandois keeps his post.

Cie Generale d'Electricite — M Jean-Pierre Brunet, a former diplomat.

Thomson-Brandt—M Alain Gomez, former director at St-Gobain.

Pechiney Ugine Kuhlmann —M Georges Besse, former head of Cogema.

Cie Financiere de Paris et des Pays Bas—M Jean-Yves Haberer, former Director of the Treasury.

Cie Financiere de Suez—Georges Plescoff moves from Assurances Generales de France.

Banque Nationale de Paris —M Rene Thomas, promoted from Director-General at BNP.

Societe Generale de Banque — M Jacques Mayoux, formerly president of Sacilor steel group.

New administrators, given the effective power of president, at other major banks are as follows:

Credit Commercial, M Guy Raoul Duval; Credit Industriel et Commercial, M Georges Dumas; Credit du Nord, M David Dautresme; Bank Rothschild, M Michel de Boissieu; Banque Hervert, Mme Lisette Mayret; Banque Vernes, M Gilbert Lasfargues.

M Georges Valbon will shortly be confirm d as head of the French coal authority, Charbonnages de France.

Changes in the banking system will be introduced gradually

BY DAVID HOUSEGO IN PARIS

THE KEYNOTE of the Government's brief statement on credit policy and changes in the banking system was that changes will be introduced "gradually and in consultation with the institutions concerned."

Officials emphasise that the Government is anxious for the new bank chairman to get the measure of the institutions they are taking over and that a new banking law will not be put to the National Assembly before autumn.

Nonetheless. the central objectives — of encouraging more long-term saving linked to industrial lending and of making banks more sensitive to the needs of industry—emerged strongly in the statement issued after the Council of Ministers' meeting.

Within this framework, the Government has in mind changes in the banking system —some of them long advocated—and in the allocation of credit that include the following:

● Banks will be put on a more even footing in terms of their resources and of the services they offer. The French banking system is divided between a small number of banks — now virtually all within the State system — which control the bulk of deposits and a host of institutions largely dependent on costly borrowing in the money market for their funds.

The government envisages some mergers and regroupings of banks. It is also considering ways in which smaller institutions can increase their resources through tapping popular savings.

● Banks will be increasingly expected to lend to small- and medium-sized enterprises on the strength of their balance-sheet rather than on the basis of collateral they can offer. Medium- to long-term credit to industry will be distributed in line with the priorities as set out in the national plan

At the same time, the Government envisages a simplification of the procedures for distributing subsidised credit (about 45 of lending in France is at subsidised rates of interest) and a reduction in the approximately 200 types of credit that are on offer. It is felt that businessmen are confused by the system, and thus fail to use it to the full, and that it is costly to operate.

As a result of this, the government is hoping to hold down interest rates to industry. The Cabinet statement spoke of pressure to keep interest rates low from both reforms in the banking system and from European and international co-operation.

● The development of stronger regional banks and banking networks. This was a recommendation also made by M Jacques Mayoux, who was yesterday appointed chairman of Societe Generale, and who presided over a commission of reform into the French banking system which reported in 1980. It is a proposal dear to M. Jacques Delors, the Finance Minister, who would like to endow France with the type of medium-sized regional banks to be found in West Germany.

Other proposals under consideration include giving banks direct refinancing facilities with the Bank of France in support of long-term loans to industry. This is seen as another potential way of reducing the cost of credit.

Iran says U.S. delaying claims

BY CHARLES BATCHELOR IN AMSTERDAM

AGREEMENT HAS been reached on the settlement of more than $100m worth of claims from companies arising from the occupation of the U.S. embassy in Iran. It is also within reach on more than $1bn worth of banking claims, but both sets of proceedings have been held up by the U.S., a senior Iranian official said yesterday.

Only one claim — for DM 935,000 ($391,000)—has actually been paid, according to Dr Asghar Kashan, head of the legal committee of the bureau established to co-ordinate and implement the Algiers declaration. This was a claim from Bank of America against the Iranian Bank Mellat which arose from their joint ownership of ICS, a West German finance company.

An agreement between Iran and a group of U.S. banks over $1bn worth of claims had almost been reached when the U.S. asked that the $1.42bn escrow account held by the Bank of England, to meet banking claims, should also be used to meet small claims of less than $250,000, Dr Kashan said. Iran was unable to agree to these terms and the negotiations were halted.

Iran, he said, has also reached out-of-court agreements with U.S. companies on 60 claims involving more than $100m. U.S. officials said earlier that "a number of claims" had been agreed out-of-court but were still awaiting settlement.

Dr Kashan claimed the U.S. was unwilling to allow payment of these claims from the $1bn security account held by the Netherlands central bank, claiming that this might prejudice payments to other claimants whose cases have still to be heard.

This and other unsolved issues concerning the security account, will be considered next month by the special tribunal established in The Hague to handle claims. The U.S. also insists that the settlements reached should be reviewed by the tribunal, he said.

Out-of-Court negotiations are seen as an important addition to the deliberations of the tribunal.

S. African banks to raise prime to record 18%

BY BERNARD SIMON IN JOHANNESBURG

SOUTH AFRICAN clearing banks are to raise their prime lending rate from 17 per cent to a record 18 per cent, following an important relaxation of official controls on the rates banks may charge borrowers.

The increase in the prime overdraft rate is the seventh in the past year, during which it has almost doubled from a level of 9.5 per cent.

It follows the announcement by Dr Gerhard de Kock, governor of the Reserve Bank, that prime rates need no longer be confined to a band of within 2.5 and 3.5 percentage points of the Reserve Bank's discount rate.

The increase in interest rates reflects a combination of the sharp deterioration in the balance of payments, which has reduced domestic liquidity, and continuing buoyant demand for bank credit. The balance of payments has been badly hit by the weak gold price and high levels of imports.

At the same time, the loosening of official controls over lending rates probably indicates the authorities' reluctance, for political reasons, to be cast as

Dr Gerhard de Kock

the villains of high finance charges.

The only remaining limit on lending rates will be the maximum of 20 per cent for amounts of up to R100,000 laid down in the existing usury law.

However, bankers do not expect the prime rate to rise above 18.5 per cent, before weaker demand for credit prompts an easing in interest rates later this year.

The abolition of the link between bank rate and prime rate is likely to result in greater volatility in retail lending rates and keener competition among banks, a senior executive of Barclays National Bank, the country's largest banking group, said.

Although all banks are expected to raise their prime rate of 18 per cent for the time being, some will probably soon start offering sought-after customers a lower rate.

The authorities have encouraged a marked tightening in financial markets in recent weeks and the next fortnight is expected to be the tightest in the history of the money market, as large tax payments fall due.

Three-month bankers' acceptances were trading at 16.75 per cent yesterday.

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Egypt cuts light crude price by $1 a barrel

By Anthony McDermott in Cairo

EGYPT has reduced the price per barrel of its prime Morgan light crude from $34 to $33. The new price has been in effect since the beginning of the month and reflects the difficulty Egypt has had in marketing its crude because of the world glut.

This and other factors will make it hard for Egypt to earn from its oil exports the $3bn target for income for 1981-82. Oil, together with workers' remittances, are Egypt's two foreign currency earners.

Because of the glut in particular of light crudes, Egypt has been forced to sell abroad some of its heavier and less expensive crudes and to direct Morgan to the domestic market.

The pressure of the world glut has forced the state-owned Egyptian General Petroleum Corporation (EGPC) to ask companies to shut down some wells.

Egypt's current crude production level is about 700,000 barrels a day, according to an official in EGPC.

Meanwhile, President Hosni Mubarak, who returned to Cairo yesterday after a 24-hour visit to Oman, is to be sent recommendations urging the Government to retain subsidies on basic goods.

The recommendations are contained in a report prepared after the national economic conference which ended in Cairo on Tuesday.

The general subsidies are at present costing the country about E£2bn (£1.3bn) a year and are likely to come under strong pressure from an exploratory mission of the International Monetary Fund which was due in Cairo yesterday.

The conference also recommended:

- The maintenance of the liberal open-door policy initiated by President Anwar Sadat in 1974, provided it is directed towards more productive and less consumer-oriented projects;
- The continued decrease in Government dependence on foreign loans, which reached a total of $18bn over the past decade (at present more than $4bn has not been disbursed);
- Reassessment of investment priorities in industry, housing, agriculture and public utilities;
- The huge public sector should be given more freedom in administration and finance.

Israel plans 30 new settlements

BY DAVID LENNON IN TEL AVIV

ISRAEL is planning to build 30 new Jewish settlements in the occupied West Bank, Gaza Strip and Golan Heights in the coming fiscal year and the Government has allocated Sh 1bn (£32m) for this in the proposed 1982-83 budget.

Mr Mattityahu Drobless, head of the Settlement Department of the Jewish Agency, told the Knesset (Israeli Parliament) finance committee that the new settlements will be added to the 126 already established in the occupied territories.

The plan calls for 24 new settlements to be built on the West Bank, where Israel has already established 88 agricultural and urban colonies. Mr Drobless said that he hopes to settle 100,000 Jews on the West Bank in the coming years.

At present, there are about 20,000 Jewish settlers on the West Bank, which is inhabited by 700,000 Palestinians. Israel has expropriated more than a third of the West Bank land from the Palestinians for the Jewish settlers.

There are 33 settlements on the Golan Heights, which Israel captured from Syria in 1967 and formally annexed in December last year. During the coming fiscal year, another six settlements are to be built on the Golan, which Mr Drobless hopes will have a Jewish population of 20,000 within two or three years.

There are at present about 7,000 Jewish settlers on the Heights and 13,500 Syrian Arabs. The Arabs, who belong to the small Druse sect of Islam, have been on strike for the past four days, in protest over the imposition of Israeli law on the Golan, and the arrest of four of their leaders.

The Government is also planning to build two more settlements in the Gaza Strip, where there are already five. The strip is one of the most densely-populated areas in the world, having a Palestinian population of over 400,000 crowded into an area 25 miles long and between five and seven miles wide.

Violent protests broke out throughout the West Bank yesterday, over the closure by the Israeli occupation forces of Bir Zeit University, the largest college of higher education on the West Bank.

Israeli soldiers fired shots and tear gas to disperse the demonstrators at the Kalandia Palestinian refugee camp north of Jerusalem, and at El Bira, beside Ramallah.

The occupation forces have shut down Bir Zeit University at least six times in recent years because of the nationalism of the Palestinian students. The college re-opened only in January this year, after being closed by the authorities for two months.

Canberra urges union changes

By Patricia Newby in Canberra

THE AUSTRALIAN Government is to push ahead with plans to encourage unions to amalgamate, in an effort to reduce the number of strikes caused by inter-union squabbling. It will also encourage industry-based unions rather than the present British-based craft system.

Mr Malcolm Fraser, the Prime Minister will discuss the Government's proposals at a special meeting of the six State Premiers in Canberra tomorrow.

The meeting will canvass ways that the various state governments can work together to improve Austrial's industrial relations.

More than 250,00 working days are lost each month because of strikes, one of the worst levels in the world.

At times, inter-union disputes over the right to certain types of work have accounted for 20 per cent of working days lost.

Australia has 360 unions for a workforce of 6.6m.

Amalgamation into bigger unions or industry-based groups is virtually impossible at present, because of the legal requirement that at least 50 per cent of the membership of both unions should vote on the issue.

Union officials are pleased if they get as much as 10 per cent turnout of members to vote on union matters.

Talks on Seoul aid to start in Tokyo today

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

"WORKING-LEVEL" talks between Japanese and Korean officials, due to start in Tokyo today, may end a six-month dispute over Japanese bilateral aid to South Korea that has severely strained relations between the two countries.

The object of the talks will be to agree on a figure for Japanese "financial flows" over the next five years that will not be legally binding on Japan, but which can be presented in Korea as a concrete achievement.

The figure will almost certainly exceed $3bn (£1.6bn), but will probably fall far short of the $6bn-worth of Government aid that Korea "demanded" from Japan in August 1981 as compensation for Japan's inability to contribute directly to the South's defence efforts.

The Tokyo talks will be the second in a series that started in Seoul last month between senior Economic and Foreign Ministry officials.

Before that, the two nations had failed to reach agreement on the aid issue at a full-scale ministerial conference held in Seoul in September.

The issue has assumed major political importance in part because the $6bn aid request originated as a "brainchild" of President Chun Doo-hwan, the former general who took over as head of South Korea in September 1980.

Japan's official position on the Korean aid demand is that it is legally unable to make aid commitments stretching over more than one year or that are unrelated to specific non-military development projects.

The Japanese also regard the $6bn figure as being wildly in excess of the government aid that might actually be available for Korea over the next five years.

The figure works out at more than 10 times the value of Japan's aid to Korea in the past five years and at about 60 per cent of the aid Japan expects to have available for the whole of Asia during the next five years.

In order to be able to offer a sufficiently impressive figure to the Koreans, Japanese officials will probably propose a five-year financial package made up of official aid flows, Ex-Im bank loans, and commercial bank lending, with the caveat that actual commitments will be made on an annual basis.

Japanese officials say that Korea now "realises" this is the best that Japan can manage and that its original demands were unrealistic.

They also say that once the package has been informally agreed, Japan will be ready to arrange a meeting of Foreign Ministers at which the aid issue will be formally "solved."

Korea originally suggested that the issue should be discussed, in substance, at a meeting of Foreign Ministers that would by-pass official-level talks.

It has also urged the early convening of a summit between President Chun and Prime Minister Zenko Suzuki to discuss bilateral economic relations.

Pakistan stands by foreign policy

By Our Foreign Staff

THE Pakistan Government yesterday reaffirmed the direction of the country's foreign policy following the appointment of General Yakub Khan as Foreign Minister to replace Mr Agha Shahi, who resigned on Tuesday because of ill-health.

Mr Shahi was reported yesterday to have denied that he had any policy disagreements with Gen Zia ul-Haq, Pakistan's President. Mr Shahi, who has been the architect of Gen Zia's foreign policy over the past four years, said he had resigned following his latest medical check-up.

Gen Yakub comes to his office in time for the next phase of delicately-poised talks between India and Pakistan on a non-aggression pact. The talks are due to resume early next month.

Gen Yakub's appointment is likely to be welcomed in Delhi, where Mr Shahi had acquired a reputation of being anti-Indian.

The U.S. State Department will be hoping that Gen Yakub's five years in Washington will dispose him favourably to the closer relationship now functioning between Islamabad and Washington.

U.S. industrial output fall quickens

BY ANATOLE KALETSKY IN WASHINGTON

THE FALL in U.S. industrial production accelerated last month, pushing output one percentage point below the worst level of 1980.

The estimated fall of 3 per cent in January's industrial production, announced yesterday by the Federal Reserve Board, is the steepest of six consecutive monthly declines and the worst monthly figure since a 3.4 per cent fall in output in January 1975.

Although January's unusually cold weather is partly responsible for the scale of the decline, the figures are bound to increase anxiety about the Reagan Administration's economic programme.

One private economic forecasting organisation estimated that two-thirds of the fall was due to the severity of the weather, but the general expectation in Wall Street had been for a decline of nearer 2.5 per cent.

Forecasts of GNP in the first quarter of 1982 are likely to be scaled down unless there is clearer evidence soon that the effects of the freak weather are being reversed.

President Reagan's economic plans depend on a rapid recovery from recession beginning in the spring. Any indications that the recession may prove deeper or more intractable than expected would further exacerbate fears about the growing federal budget deficit.

January decline in industrial production affected all sectors of the economy, with the motor industry suffering a 22 per cent fall to the lowest output level experienced since a steel strike in 1959.

The consumer goods and building materials industries have also been severely hit, with output in both falling by about 5 per cent.

In January, these are all highly interest-sensitive sectors and the renewed rise in prime rates in the past month has led economists to question the forecast in the economic report of the President, published last week, that the consumer goods, housing and motor industries would be "the key areas of rebound in the economy later this year."

Industrial output is now 9.5 per cent below the level of last July, when the present phase of the recession began. The index is 139.1 relative to the average of 100 in 1967.

Reuter adds from Washington: Mr David Stockman, the Budget Director, suggested Congress consider advancing the income-tax scheduled for July to April as a way of spurring the economy. But he told the House budget committee that legislators might not be able to act quickly enough to have the cut take effect much before July.

Murdoch in New York venture

BY IAN HARGREAVES IN NEW YORK

MR RUPERT MURDOCH, the Australian publisher, plans to launch a Sunday edition of his New York Post newspaper some time this year.

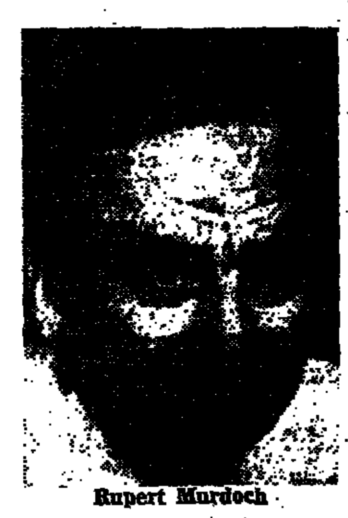
Mr Murdoch, who is currently at the centre of a cliff-hanging struggle to cut jobs and losses at The Times in London, made this announcement to a meeting of the Brooklyn Chamber of Commerce.

According to Post staff, dummy versions of the Sunday Post have already been assembled and Mr Murdoch is unofficially reported to have lined up extra printing capacity at the plant of the recently folded Philadelphia Bulletin to print the centre feature sections of the newspaper.

Mr Murdoch said the Post's daily circulation had grown from 490,000 to 900,000 in the five years he had owned it, and that the time was now ripe to complete the Post's coverage of the New York market.

The timing of the announcement, however, was curious in that the fate of the New York Daily News, the Post's main rival, is at the moment on the line following the announcement several weeks ago by the Tribune Group of Chicago that they wanted to sell the News.

So far, there has been no firm sign of a bidder, but it may be that Mr Murdoch wants to discourage any possible interested party by indicating resolve to go on building the Post's sale.



Rupert Murdoch

Guatamala Left steps up attacks

By Hugh O'Shaughnessy

GUATEMALAN guerrilla bands, newly united in one command structure this month, have stepped up their attack against economic targets in the country, imitating the tactics being followed by the insurgents in neighbouring El Salvador.

The authorities in the Guatemalan department of Huehuetenango have reported that 13 towns and villages had been left without electricity as a result of guerrilla attacks on power plants.

Bridges and crops had also been sabotaged, they reported.

The increasing guerrilla operations, combined with government inflexibility towards business, are seen as a growing threat to industry's confidence in Guatemala.

Gen Romeo Lucas's government is reported to be disappointed that only one bid was received last month after six oil exploration concessions were offered to local and foreign oil companies.

Meanwhile, the news of the latest in a series of massacres in the countryside has further shaken confidence in the presidential elections scheduled for March 7.

Forty-three people, including six children, were discovered dead on Monday night in the village of Calante in the department of Quiche. Gen Benedicto Lucas, the army chief of staff and brother of the President, has implied that the Left was responsible for the killings.

In the past, however, such massacres have often been the hallmark of the army or the paramilitary squads.

The latest massacre is likely to exacerbate the racial animosity between the native communities and the government forces, and to make relations between Washington and Guatemala even more delicate.

The Reagan Administration has been seeking a reapprochement with the right-wing Lucas government.

More bodies found

Five more bodies have been discovered in a clandestine burial ground where the Honduran authorities reported ten corpses were found two weeks ago, a police spokesman said, AP reports froh Tegucigalpa.

The spokesman said the authorities expected to continue finding more bodies in the burial ground. "All of the bodies are of men and show wounds from bullets of different calibres, including machine guns."

World Bank loan complaint

By Our Washington Staff

MR A. W. CLAUSEN, the President of the World Bank, yesterday criticised the U.S. Government for cutting its contributions to the World Bank's soft loan arm, the International Development Association (IDA).

He said that it might not be possible to ensure real growth in the poorest countries.

Three rig inquiries set

Three separate official inquiries yesterday investigated the disaster which cost the lives of 84 crewmen on one of the world's largest floating oil rigs off the Canadian coast.

Inquiries were ordered by the Canadian Government, the U.S. Coast Guard and the province of Newfoundland.

The U.S.-owned Ocean Ranger listed and sank without trace early on Monday in a raging snowstorm which whipped up giant waves and howling winds.

But experts said the rig, built in Japan and leased by Mobil Oil Canada to drill in the Hibernia field 175 nautical miles off the coast, was built to withstand much tougher weather.

A dozen rescue ships and search planes scoured the area for the third day with hopes abandoned of finding alive any of the 84 men on the rig.

Reuter

Row over U.S. savings publicity

BY DAVID LASCELLES IN NEW YORK

THE U.S. has an effective "truth in lending" law, which makes financiers state the exact cost of a loan. But people think it should also have a "truth in borrowing" law, to tell savers what they are getting for their money.

A row has blown up in New York over the extravagant advertisements which banks are putting out to entice savers to open special tax free accounts enacted by the Reagan Administration, known as Individual Retirement Accounts (IRAs). Some of them promise savers that they can become millionaires if they start early enough. Others appear to offer huge returns, even by today's standards.

Savers can use these accounts to put away up to $2,000 (£1,086) a year (which is deductible from their taxable income) and defer tax on the yield until they withdraw it after the age of 59½, when they are likely to be in a lower tax bracket than in their prime earning years.

Citibank, New York's largest bank, proclaimed in an advertising blitz in recent weeks that a married couple saving a combined $4,000 a year for 30 years at a rate of 12 per cent a year would have more than $1m by the time they retire.

That is correct, of course. But Citibank does not guarantee the 12 per cent. Nor does it say that 12 per cent interest implies a rate of inflation over the next three decades which would probably drive millions out of work and push the cost of a loaf of bread up more than tenfold, in which case one would have to be a millionaire just to survive.

County Federal Savings, a savings bank on Long Island, tried a slightly cleverer trick. It offered "14 per cent guaranteed for 10 years." But only the small print pointed out that this was on the basis of simple, not compound, interest. New York state's Department of Consumer Affairs calculated that this really works out an annual yield of only 8.65 per cent. It wrote to the bank, saying that while the advertisement was literally true, it was deceptive. The bank subsequently dropped the advertisement.

Another bank was hauled over the coals for claiming that IRA accounts would make savers millionaires without even mentioning interest rates.

Some banks have also given the impression—deliberately or not—that IRAs are a means of avoiding tax altogether, not just deferring it.

The irony is that these advertisements have not succeeded in attracting anything like the amounts of money needed to get into IRAs. Some people say this is because the average American is so confused by IRAs that he has decided to do nothing. Others say taxpayers have worked out that the biggest break is not the tax-free yield but the $2,000 deduction from taxable income, so they will delay the deposit until the very last minute—which for the purposes of this tax year will not be until April 1983.

CHILE'S ECONOMIC PROBLEMS MOUNT

Free market policies under strain

BY MARY HELEN SPOONER IN SANTIAGO

CHILE IS facing severe economic problems, which are putting increasing pressures on General Augusto Pinochet's military regime to change its free market policies.

These policies were credited with bringing about the economic boom which began seven years ago and came to an abrupt end in the middle of last year.

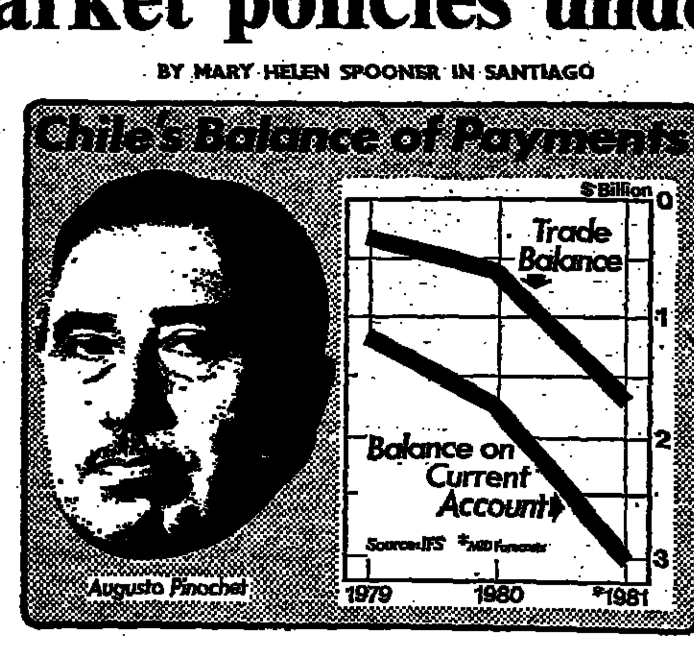
Since 1975, when the regime applied a free market, "shock treatment" to the economy, Chile has registered a dramatic growth in gross domestic product (GDP) averaging 7 per cent annually. Last year, Chile's GDP increased by 5 per cent, well above the 1.2 per cent average reported by the United Nations Economic Commission for Latin America.

But most of last year's growth occurred before summer's economic downturn and predictions for this year's growth rate range from the State Planning Ministry's 3.5 per cent to a contraction of 5 per cent estimated by a private bank.

A flood of imports, along with high domestic interest rates, have extracted a heavy toll from Chilean industry, which employs about a third of the workforce.

The Chilean industrial society, Sofofa, reported declines in industrial production of 8.1 per cent in the last quarter of 1981. Sr Bruno Casanova, the society's president, recently predicted that this trend would continue until at least the second half of this year.

Sofofa officials have also predicted that more Chilean



Augusto Pinochet

industries will declare bankruptcy as the economic crunch continues. Last year, 431 Chilean companies folded, including the country's largest fruit exporting firm, Safco, and the Crav sugar company, one of Chile's biggest food conglomerates. This was the largest number of bankruptcies in 19 years. In addition, some of the eight banks and finance companies, in which the Government intervened last November, might have collapsed, as well, had the authorities not taken administrative control of them—already a notable departure from the regime's laissez-faire economic policies.

However, some observers have suggested that part of the difficulty lies not so much with Chile's laissez-faire economic policies as with the less-than-reputable business dealings some entrepreneurs have practised. The collapse of the Crav sugar group, which occurred after the owners' questionable speculation on the futures market, has been cited as such a case.

Further blame for these economic problems lies in the traditional and paternalistic attitudes persisting in much of the Chilean business community. This is illustrated by the high number of dubious loans extended by the banks and finance companies of which the Government took control.

"A Chilean banker is under a tremendous social pressure to make loans to his friends and relatives," said a diplomat in Santiago. "And that is something most Europeans and Americans fail to comprehend." Other Chilean banks are thought to be in trouble as well, with dangerously over-extended portfolios.

The Chilean labour force, meanwhile, is already feeling the pinch. The University of Chile's economic department calculated that unemployment in the greater Santiago area has reached 13.5 per cent, with unemployment in the provinces a few percentage points higher. This figure does not include the estimated 4.5 per cent of the work force participating in the government's minimum employment programme, who receive about $35 (£19) a month for full time menial jobs. Most predictions foresee a further rise in unemployment over the next few months.

The Government has attempted to ameriorate unemployment by eliminating the $160 a month minimum national wage for workers under 21 and over 65. At the same time, General Pinochet has resisted calls from industrial and agricultural producers' organisations to devalue the Chilean peso to stem the flow of imports.

The Chilean peso was set at 39 to the dollar in 1979 and Chilean officials fear that devaluation, while possibly aiding local producers, would spur inflation and undermine confidence in the economy. Yet if Chile's recession continues, the Pinochet regime may be forced to take some drastic steps such as this to prevent a further economic decline.

Kevin Rafferty interviews the Malaysian Prime Minister

Mahathir criticises market ruling

DATUK SERI Dr Mahathir Mohammad, Malaysia's Prime Minister, has claimed that the London Stock Exchange ruling to deter dawn raids had prevented a number of Malaysian concerns, since the Government takeover of Guthries late last year, from buying companies on the London market.

In an interview, Dr Mahathir said: "Not specifically the Government, but there have been Malaysians wanting to buy companies and being stumped by this ruling that you cannot buy more than 5 per cent or you have to declare and pause. And when you pause, invariably the management steps in and persuades everyone not to sell irrespective of the price." He declined to identify the companies or to give any more information but said there were "about two" cases he knew of.

Dr Mahathir emphasised that his "buy non-British" directive to Government departments and bodies was still in effect. Since last October, all deals in which a Government concern wishes to buy British have to be submitted to Dr Mahathir along with a non-British alternative.

He added that a British bid would have to be a good deal superior before he would agree to it. "Not marginally, it must be substantial."

"In the case of a bid, if there is a price difference of the magnitude of 2, 3 or 5 per cent, we would still buy non-British. If the British bid is 20 per cent below the next one that might be different." Asked what would happen if the British bid were 10 per cent below its competitor, he replied: "That is something we will have to look into. We can go one way or another."

Dr Mahathir said that since he had imposed the directive, "there is evidence that a lot of people now do not regard the matter lightly and are certainly paying attention, but not sufficient attention for us to change our directive."

Dr Mahathir hinted that Lord Carrington, the British Foreign Secretary, who was in Kuala Lumpur recently, had told him that British policy on matters such as education could not be changed, and matters such as London Stock Exchange and London Metal Exchange rulings were not the Government's responsibility.

"In the areas I speak of, I am told that there is nothing that can be done. So if there is nothing that can be done, I can't do anything either."

He admitted that some people might suffer because of damage which they had not been responsible for. "We can only hit out at what we can hit at. It is unfortunate, of course, if some people have to pay the price for the sins of others—literally."

Dr Mahathir declined to specify what actions would improve relations between Malaysia and Britain. "Britain has been dealing with so many countries all over the world. They know how to win people's hearts, allies, even enemies, over to their side. Surely it is not beyond the powers of the British to figure out what they can do."

Later, he tried to play down the effects of the directive, saying that Malaysia had suffered as well as Britain. "We are about equal. We are losing on the metal exchange. We are losing money in terms of education fees having to send all our students to America and Canada," he said, when a figure of £50m-£60m was mentioned for British losses, with the likelihood of a rise to £100m soon.

Dr Mahathir said that Malaysia remained open to British investment which conformed to the new economic policy and emphasised that there was no trade embargo.

Europe's pulp prices fall following Canadian reductions

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

PULP PRICES have fallen on the West European market after the Canadian mills reduced their prices last week. Swedish and Finnish suppliers confirmed yesterday.

The Canadians are selling bleached sulphate pulp, the leading category at $545 (£286) a tonne, the price prevailing before last October. British Columbia Forest Productions reduced its price on Friday, and others followed suit.

After failing to obtain a price of $600 a tonne for the last quarter of 1980, the Nordic mills listed a price of $580 and made contracts at that level.

Some Nordic producers said yesterday that they were waiting to see how much the Canadians intended to place on the European market, but others confirmed that they had already sold pulp at the lower rate.

Current pulp capacity is ahead of demand on the world market. Paper and board output has fallen in the U.S., production has been curtailed for some time in Japan and there has been a slowdown in Western Europe. The North American mills have been off-loading surplus output on the European market.

Sodra Skogsagarna, one of the biggest Swedish suppliers, said yesterday that it had made contracts at the $545 level. It is bringing forward to March maintenance stoppages scheduled for later in the year.

The Nordic mills do not intend to repeat the mistake they made during the market recession of the mid-1970s when they maintained output and built up large stocks of unsold pulp. Sodra says it hopes for a market improvement in the third or fourth quarter of this year.

Finncell, the joint sales organisation of the Finnish pulp mills, said its deliveries would be lower in the first quarter than in the first three months of 1980.

The Canadians' price move was a relatively new development and Finncell wanted to see how much "free" North American pulp would be switched to Europe before changing its listed prices.

For the Swedish mills, the fall in pulp prices coincides with the appreciation of roughly 30 per cent in the value of the dollar against the krona in the past 12 months.

Warning to Japan from France

By Our Foreign Staff

France has made two moves against Japan which act as a warning that talks on improving bilateral trade relations must not fail.

Foreign Trade Ministry officials said yesterday that the moves "are of limited economic importance, but are meant to have a psychological impact."

France is to cut the import quota this year for Japanese colour TV sets to 84,000 from 88,000 last year. A system of technical visas has also been introduced for Japanese 50 cc motorcycles, but the French say this will only increase surveillance by the French customs and cannot restrict trade.

In Tokyo, Japanese representatives said Japan has protested over the action on TV sets, saying it runs counter to international trade regulations. They expressed the fear the motorcycle surveillance system might lead to import curbs.

The subject is likely to be discussed when President Mitterrand makes an official visit to Japan in April, and when M Michel Jobert, the Foreign Trade Minister, visits Tokyo next month.

Eximbank lending will go on falling

BY PAUL CHEESERIGHT, WORLD TRADE EDITOR

THE SHARP downturn in the lending of the Export-Import Bank of the U.S. (Eximbank), already apparent in the first quarter of its current financial year, will continue into 1983 following the latest cuts announced in President Reagan's budget.

The cuts will increase worries among major U.S. exporters about Eximbank's competitive position. In a recent report to Congress, Eximbank noted a survey of bankers and exporters which rated its programmes as less competitive by a fairly wide margin than those of Japan, France, West Germany, Italy and the UK.

During the year to last September, total Eximbank authorisations were 5.1 per cent higher than in the 12 months to September 1980. But in the closing months of 1981 such authorisations were 21 per cent down on the same period of 1980.

During this financial year, to September 1982, Eximbank has received loan authorisations of $4.4bn. This compares with the $5bn it would have been authorised had Mr Jimmy Carter remained President. It has also an authority to guarantee loans and provide insurance up to $9.2bn.

But next year—the 12 months to September 1983—Eximbank will have loan authorisations of $3.7bn and loan guarantees of $8bn. President Reagan is thus claiming back what he wanted to take away last year. In addition to the budget cuts he announced in February, he sought a further reduction of 15 per cent from all federal agencies.

Congress, in fact, put the budget back to $4.4bn, indicating the strength of the lobby wishing to see Eximbank play a significant role in export support. Indeed, both Senator John Heinz (Republican, Pennsylvania) and Representative Stephen Neal (Democrat, North Carolina) have sponsored bills to provide Eximbank with extra finance to combat subsidised European export finance.

But, caught like other agencies in the net of economies demanded by the Administration, Eximbank is having to adjust its lending policies accordingly. It has to take what Mr William Draper, the chairman, calls "a highly selected targeted approach."

More closely defined, Eximbank seeks to avoid making export credits to countries where per capita income is $10,000 a year or more. It has not singled out sectors to support and sectors to ignore, but where there is not an immediately comparable product on the market, it will not support a U.S. bid. Thus it will not support Beoing 747 sales, but it will support efforts to market the Boeing 767. The one has no competition. The other is a rival of the European Airbus.

'The problem is the sharp gap in interest rates between the borrowing and the lending. Eximbank borrows as necessary to cover its disbursements, but these spring from commitments made years or months ago'

This approach, however, can only have a limited effect in arresting the decline in Eximbank's financial position.

In the first quarter of its current financial year it recorded a loss of $22.2m. Over the whole 1982 fiscal year "the loss is going to be a whopper," said Mr Draper — probably between $120m and $200m. "And there's not much we can do in the short run," he added.

This lack of manoeuvre is the result of Eximbank's financing methods. It borrows from the Federal Financing Bank and on-lends the funds to meet its export credit commitments.

The problem is the sharp gap in interest rates between the borrowing and the lending. Eximbank borrows as necessary to cover its disbursements, but the disbursements spring from commitments made years or months before. Its average loan is outstanding for seven years. Thus Eximbank can be funding export credits this month that started to run five years ago.

At the end of last year the weighted average interest rate Eximbank was receiving on loans it had made previously was 7.69 per cent. But in September and December 1981 it was borrowing money from the Federal Financing Bank at rates running from 12.76 per cent to 15.7 per cent.

The effect, as Mr Draper told Congress, is that if interest rates remain at current levels, total losses will be $1bn during the next three years and Eximbank's reserves will be wiped out in five years.

Investment in U.S. slackens

By Our New York Staff

THE BLEAKNESS of the U.S. economic prospects has led to a sharp curtailment in the pace of foreign investment in the domestic manufacturing industry, according to the New York Conference Board, the business research organisation.

Last year, 348 such investments were announced, the second early decline and the lowest since 1977. The dip was most pronounced in industrial machinery, transportation equipment and chemicals.

The size of foreign investment is also declining. Figures reported last year by 188 companies amounted to $4.7bn (£2.4bn), down from $6.6bn in 1980.

Mr David Bauer, who conducts the annual survey at the conference board, said: "There are no indications that the downturn in either the number of foreign investments or the amount of money committed here will end soon."

British companies led what investment there was last year with 76 projects followed by Canada (49), Japan, France and Switzerland.

France was the only major industrial country to increase the number of U.S. investments last year.

Chinese energy specialists hold talks in Brussels

BY GILES MERRITT IN BRUSSELS

A TEAM of energy specialists from China yesterday opened a month-long buying mission to EEC countries with a round of talks with European Commission officials in Brussels.

The 11-man Chinese mission is to visit the major EEC capitals, and will be in London February 21-25.

The visit was arranged in Peking last November, at the time of special EEC-China talks there. But it is also part of the overall framework for promoting greater trade and industrial co-operation between the Community and the People's Republic that was launched when the Brussels Commission hosted a major "China Fortnight" here at the end of March.

EEC enthusiasm for developing major new projects with China has been dimmed by the cancellation a year ago of over $2bn worth of capital contracts by Peking when it retrenched on its original investment programme. But the Chinese energy mission is, nevertheless, scheduled to examine a wide range of developments that might lead to substantial contracts.

Coal mining techniques and equipment top the Chinese team's list, and it will also be examining the latest technology relating to coal burning power stations.

Hopes fade for change in world patent laws

BY BRIJ KHINDARIA IN GENEVA

TALKS AIMED at helping developing countries change the world's patent protection system in their favour have ended inconclusively in Geneva with industrialised countries saying that Third World views are negative.

In 70-nation talks convened by the UN Conference on Trade and Development (Unctad) several developing countries suggested patent protection given to foreign sellers of technology be limited so as to allow local enterprises to exploit the technology as soon as possible.

The Third World group called for an international code to control the promotion, distribution, trading practices and technology transfer procedures in the pharmaceutical sector. Nearly 40 countries refuse to grant patents to foreign pharmaceutical makers.

The developing nations also asked Unctad to study the "economic, commercial and developmental implications" of research into plant genetics and new plant technologies being patented by chemical and pharmaceutical companies.

UK persuades Brazil to cut tariff on scotch

BY OUR WORLD TRADE EDITOR

THE UK Government has persuaded Brazil to reduce the tariff it levies on Scotch whisky but has received no commitment that Brazil will raise its import quota.

Dr Ernani Galveas, the Brazilian Minister of Finance, gave his agreement to the lowering of the tariff during talks with Mr John Biffen, the Trade Secretary, earlier this week.

The move eases one of the niggling problems the UK has in its developing commercial relationship with Brazil, but only goes a limited way towards meeting the aim of the Scotch Whisky Association for greater access to the Brazilian market.

So far Brazil has not indicated the level of the new tariff. Existing rates are 160 per cent of the cif value for bulk malt and 205 per cent of the cif value for bottled whisky.

Last November, however, the Brazilian embassy in London indicated to the Scotch Whisky Association that the bulk tariff could be reduced to 105 per cent and, in the past week, Sao Paulo newspapers have suggested that the tariff on bottled whisky could also move down to 105 per cent.

But the Scotch Whisky Association remains concerned about the quota. Last year Brazil held imports down to the 1980 level of 2.4m litres of alcohol. One litre of alcohol is the equivalent of that which is contained in 3½ bottles of scotch.

The 1980 value of scotch exports to Brazil was £3.8m. No figures for 1981 are available because of the civil servants' industrial dispute early in the year.

Romania denies barter deal with South Africa

BY OUR WORLD TRADE STAFF

THE ROMANIAN Government has denied strongly suggestions that it is negotiating a substantial ammonia-for-maize barter deal with South Africa.

Reports that such a deal is in the offing have appeared in Afrikaans newspapers published in Johannesburg and Cape Town. The newspapers were apparently responding to leaks from the South African Government.

In conformity with its political opposition to South Africa, "Romania has no political, diplomatic, economic, cultural or any other kind of relations with South Africa," the Romanian Embassy in London said in a communique.

The communique, released yesterday after embassy consultations with Bucharest, said Romanian economic agencies have no business ties with South Africa and are not engaged on any import or export business with that country.

The denial comes against the background of South African speculation that Mr Hennie Nel, general manager of the Maize Board, has been in Romania and the established fact that South Africa has bought chemicals from East Bloc countries in the past. Mr Nel has confirmed, however, that a barter deal with an unnamed country is under negotiation.

Romanian officials said Mr Nel had never been to Romania and that there had been no negotiations for an ammonia-maize deal. Nor would there be, they stated.

UK NEWS

Attack on à Court bid for ACC

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

THE ANNOUNCEMENT that a new legal attack is to be made on Mr Robert Holmes à Court's attempt to take over Associated Communications Corporation was one of the highlights of yesterday's episode in the courtroom drama provoked by the takeover battle.

A suggestion that Mr à Court's latest bid was "illusory," and a judge's comments on the problems of dealing with Australian businessmen, were other features.

Mr S. A. Stamler, QC, for the Heron Group, said the Birmingham Post and Mail, one of the ACC non-voting shareholders supporting Heron's court action, would issue a petition under section 75 of the Companies Act.

It would seek an order that three new ACC directors be nominated. They would form a committee to consider all offers to acquire ACC shares, take independent legal and financial advice, and report to shareholders.

The petition would also ask for ACC to be ordered to call an immediate extraordinary meeting of shareholders to consider several resolutions.

One would be to take no steps to conclude any arrangement with the Independent Broadcasting Authority; another to prevent share transfers.

Orders would be sought to stop the directors voting at that meeting, and requiring the company to comply with any resolutions passed.

An order would be sought directing Mr Holmes à Court to release the directors from their supposedly irrevocable undertakings to transfer their shares to him.

The new legal movewas announced when Heron continued its appeal against the High Court's refusal to make a temporary order stopping the share transfers.

The judges were told that Mr Holmes à Court had his own counsel and solicitors, separate from those representing the other directors.

(The judges had suggested that there might be a conflict of interest between ACC and its directors, requiring the company to be separately represented. It is understood that there is no immediate intention to bring that about.)

The court will see some of the documents which it demanded on Tuesday. A copy of Mr Holmes à Court's announcement last weekend that his Bell Group was making a second offer for ACC, and evidence that the directors had irrevocably committed themselves to him have been put before the court.

The judges were told they would not be seeing the first Bell offer document. Mr Richard Sykes, QC, for the directors, said there was no present intention to post it to shareholders, and if it was not available to them it would not be right that it should be available at all.

Lord Justice Templeman's reaction to the news of the pending petition was, why *should the non-voting ACC* shareholders bother any more?

"They have been trampled on, and now they are given a golden opportunity: to be bought out (by Mr Holmes à Court) at a price Heron considers reasonable. "Why should they not take their money and run?" he asked.

Because, said Mr Stamler, Mr Holmes à Court's new offer was illusory. He had expressly made it conditional upon getting 90 per cent of the shares: 51 per cent was owned by the Bell Australian associate. TVW, which Mr Holmes à Court had *said would not be accepting his* new offer, partly because of the massive tax problems such acceptance would cause.

Mr Stamler added that Heron intended to raise its offer.

Later Mr Stamler said it appeared that TVW's position might be that the tax problems would prevent it accepting the offer before June 30.

Lord Justice Brightman said one of the main issues must be whether or not the ACC directors had thought that the midnight deadline imposed by Mr Holmes à Court for acceptance of his original offer had been genuine.

Lord Justice Lawton said the directors had had to assess the situation. Had they been dealing with "one of the highly-polished members of the City of London club," he doubted if they would have had any difficulty.

"But they were dealing with Mr Holmes à Court, who is a very different breed altogether: an Australian businessman—and they do not behave and talk exactly like Englishmen.

"Australians have a habit of saying, 'If you don't do it by such and such a time, I'm quitting.'"

That, said Lord Justice Lawton, *had been the directors'* problem.

The hearing continues today.

Posgate in Lloyd's Bill row

By John Moore

A MAJOR row flared up in Lloyd's yesterday over the controversial Bill of Parliament for improving self regulation

Mr Ian Josgate, a member of Lloyd's ruling committee who prompted major changes in the Lloyd's legislation, attacked a letter circulated by Mr Malcolm Pearson, chairman of a Lloyd's broker, claiming that Mr Posgate had altered his view on the changes which he has sought in the Bill.

Mr Posgate had financially backed a Parliamentary petition insisting that Lloyd's must amend its legislation to allow its insurance brokers to sell off their shareholding links with the underwriting syndicates.

Mr Posgate, a main board director of Alexander Howden Group, one of the companies most affected commercially by the decision, is said in Mr Pearson's letter to agree that measures short of a full sale of the shareholding links would be adequate.

"I am disassociating myself from both Pearson and Howden," he said last night, "even if it means coming off the Howden board

Long term stagnation forecast

BY CHRISTINE MOIR

A GLOOMY picture of long-term economic stagnation into the next decade was painted yesterday by Mr Michael Hughes, of de Zoete and Bevan, the stockbrokers.

The extreme volatility of the financial market suggested that the long-term economic cycle had reached a turning point, Mr Hughes told the National Association of Pension Funds investment conference at Eastbourne.

"This turning point heralds a prolonged period of low economic growth and low inflation. The next period of sustained economic recovery may not come before the next decade, and most likely will be associated with the development of a new primary energy source."

Meanwhile, Mr Hughes said, the major industries would continue to experience a painful restructuring. He agreed that the shake-out of excess labour from industry might have been completed, but "the shake-out of excess capital is only just beginning."

He said that this restructuring must occur whatever the economic inclinations of Government. "Mrs Thatcher has merely inherited a poor economic performance. It is little comfort to her to know that without her policies our economic performance would have been worse."

Pension funds deny 'short' strategy

BY CHRISTINE MOIR

TRUSTEES of Britain's £50bn pension fund movement have refuted accusations that they tend to take short-term views of the companies and investments they own in the chase for high performance.

The National Association of Pension Funds in Eastbourne yesterday unveiled the results of a questionnaire on performance, answered by 114 funds representing assets of £22bn.

Not one claimed to be interested in short-term results of one year or less. Most regarded a long-term strategy as essential although some recognised the need for occasional short-term tactics: others saw the long-term as any period between two and five years.

The funds also revealed that they are more interested in keeping up with each other than in measuring their performance against an independent index, such as the retail price index

One of the main reasons for subjecting investment managers to sophisticated measures of performance is, ons one cynic put it, to check that "they are not consistently below average."

At the same time the trustees denied that they had a heard instinct. Although most "note" the strategies adopted by other funds only five respondents said they allowed an analysis of what the average fund was doing to influence their portfolio planning.

Mr David Prosser, head of the National Coal Board pension fund's marketable securities division, who analysed the responses, said it was clear funds are as much in commercial competition with each other as with other financial institutions.

Mr Oscar Roith

BP chief engineer to Industry Department

By David Fishlock, Science Editor

MR OSCAR ROITH, 54, British Petroleum's chief engineer, will join the Department of Industry in June as chief engineer and scientist.

He will replace Dr Duncan Davies, former ICI research manager, who is retiring after five years as chief scientist and engineer.

The change in title represents a subtle but significant change of emphasis.

The post, at deputy secretary level, is regarded by the Government as crucial in a Department with primary responsibility for attempted renaissance of large tracts of industry. He will lead a team of 1,840 engineers and scientists.

As chief executive for BP group engineering Mr Roith manages a full-time team of 560 and several hundred more engineers seconded to specific projects by BP operating companies.

Their job is to turn technological innovation into profitable production and process engineering. BP Research produces the inventions. Mr Roith said: "Our job is to make sure that the capital expenditure programme is sound and feasible."

In his view the key to rejuvenating Britain as a manufacturing economy may be to get modern manufacturing lines working on a three-shift basis, like process plant. "That way you generate more jobs, get prices down, can afford the manufacturing machinery needed to get a quality product."

After graduating in mechanical sciences from Cambridge, Mr Roith served a post-graduate apprenticeship with Courtaulds before joining the central engineering department of Distillers in 1952.

During these years Distillers developed its new acetic acid process, using intrinsically dangerous chemistry to produce a highly corrosive product from an oil fraction, essentially in a single step. "Engineering made it possible."

After Distiller's petrochemical operations were bought by BP in 1967 he became general manager of BP Chemicals. In 1974 he came to London in a series of senior technical posts, taking his present position in 1977.

He is chairman of the Department of Industry requirements board for R & D in machine tools and mechanical engineering, which has isolated several high priority areas for Government investment.

Energy ministers tell Coal Board to cut losses by £80m

BY RAY DAFTER, ENERGY EDITOR

ENERGY MINISTERS have told the National Coal Board it must cut its losses by at least £80m in the coming financial year.

But the board replied last night that it was a "difficult target" when it was trying to build up the industry and battling against depressed demand.

The Government has announced plans to make £380m available in grants to cover a Coal Board deficit in the 1982/83 financial year. A further £100m would be paid as a "social" grant, to cover payments such as pneumoconiosis compensation, early retirement pension support and redundancy funds.

Mr John Moore, Parliamentary Under-Secretary for Energy, told the Commons yesterday that the £480m of grants compared with the £460m deficit grant and the £100m social assistance being made available to the Coal Board for 1981/82.

But it is looking extremely doubtful whether the board can hold the deficit to £460m. At the beginning of the year its financial performance was on target with a likely turnover for the 12 months of about £4.5bn.

Since then, however, the board has been badly hit by the rail strikes. The dispute has caused its major customers to draw on strategic stocks and, as a result, has interrupted its cash flow. The board could not say yesterday how badly it had been affected.

Under its remit from Government, the state-owned NCB must try to break even after the receipt of grants. Earlier this month Mr Moore told the Commons that in 1981-82 the board would need operating and deficit grants to make good a loss of about £4 a tonne on production of about 120m tonnes.

He was moving the Second Reading of a Bill to raise to £5bn the ceiling on money the board can borrow and to £1.75bn the amount it can receive in grants in the five years to 1983-84.

Delay hits 'crucial' shipyard contract

THE Government is delaying a contract which is crucial to the survival of Harland and Wolff Shipyard in Belfast, Dr Vivian Wadsworth, chairman, said yesterday.

The Government was taking longer than he wished to approve a subsidy to help the company win the order from British Steel, he said. He did not think the order could be confirmed before the end of this month.

British Steel was anxious that the 170,000 tonne bulk carrier should be built in Belfast, Dr Wadsworth said after an apprentice prize-giving.

The State-owned company was aiming to build three ships of 140,000 tons or more each year, but the shipyard was too big and must be slimmed.

He put no figure on redundancies but unions believe 1,000 jobs will go before the end of the year, reducing the labour force to fewer than 6,000.

Jobs target

UP TO 300 jobs will be created in Portsmouth in a joint venture to help small business. Hampshire County Council, and Regeneration, which converts obsolete buildings, will provide 65 industrial units at the Victory House site.

Lovable closes

RECEIVERS at the Lovable Bra factory in Cumberland yesterday made redundant 235 of the 310 workers who have been occupying the plant. A consortium failed to meet the cash deadline for bids.

Tanker squall

FIVE HAMPSHIRE MPs have pledged to fight plans by the British Transport Docks Board to moor 60,000 tonnes dwt liquefied petroleum gas tanker permanently off the Isle of Wight.

Plans rejected

The Greater London Council planning committee yesterday rejected plans by the Duke of Westminster for his commercial redevelopment of the controversial St George's Hospital site near Hyde Park. Council officers recommended the local authority should not oppose the scheme.

CBI leader gloomy on prospects of recovery

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE CHANCES of economic recovery look more like an "anaemic gloworm" than a "light at the end of the tunnel," according to Sir Campbell Fraser, who will become president of the Confederation of British Industry in May.

The CBI is keeping up the political pressure for a £2.6bn economy boost in next month's Budget. Confederation leaders have met eight senior ministers, including the Prime Minister, to urge their case which has been spelt out to every Conservative MP. Meetings with MPs were continuing last night.

Sir Terence Beckett, CBI director-general, reported on the economy and the confederation campaign at the monthly council meeting of the CBI yesterday. The CBI was engaged in its most widespread political campaign, he said.

Sir Campbell Fraser said later: "I can't help wondering whether the light at the end of the tunnel of economic recovery does not look more like an anaemic glowworm."

The CBI proposals were supported by MPs in the centre of the Conservative Party who had been critical of its stance.

Other MPs thought the CBI ought to ask for more. But Sir Terence said the 5 per cent growth in manufacturing output which the CBI estimated should result from its policies (compared with only 1 per cent on government policies) would be all that industry could cope with. Faster growth would lead to bottlenecks which would suck in imports.

Laker crash may push up holiday costs

BY ARTHUR SANDLES

THE 6.5m Britons who take foreign air packages each year may find their holidays £3 or £4 dearer next year as a direct result of the Laker collapse.

The trustees of the Air Travel Reserve Fund meet today to discuss whether there should be a surcharge on holidays to rebuild the fund after an expected £5m payment to former Laker group package and charter customers.

The fund stands at £20m but there is growing concern at the fact that the £5m payment has been produced by failure of a medium-sized company in the lowest of low seasons.

There is concern, bordering on alarm at the prospect of a major company ceasing to trade in some future August or September.

The fund may decide simply to rebuild its original kitty, which would mean a surcharge of £1 per holiday, probably from next autumn. If it decides that much greater protection is needed it could ask for more.

There is great resistance in the trade to such surcharging, particularly from the larger profitable groups.

"We don't really see why the customers of secure companies should have to pay to provide for those who travel with dicey ones," said one of the market leaders yesterday.

The natural consequence of such arguments is that the present "bonding" system should be thoroughly overhauled and the bonds possibly increased.

At the moment companies have to find an outside guarantor for 10 per cent of their projected tour turnover.

Tornado cuts 'may add £150m to defence bill'

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

THE GOVERNMENT'S attempt to cut defence spending by delaying production of Tornado, the single most expensive British defence project, will add at least £150m in current prices to the total bill, British Aerospace executives said yesterday.

Sir Austen Pearce, chairman of BAe, which is a major contractor for the multi-role Tornado combat aircraft, was giving evidence to the Commons Select Committee on Defence.

The Government's decision to slow production in an effort to save money in this and next year's defence budgets would add 3.5 per cent to the cost of each aircraft, he said.

At a 1980 stated cost of £11.4m and £14.3m for the two versions of the aircraft, the Government's ultimate bill for Tornado could rise by as much as £200m.

The Government plans a cut in production from 60 to 44 aircraft a year. Similar cuts are being imposed in Germany although Italy, the other NATO partner in the Tornado project, is maintaining its lower production levels.

British Aerospace said its new £200m contract for development and initial production of the Sea Eagle missile awarded this month could cost the Defence Ministry £20m more than necessary.

Mr Keith Dixon, commercial director of British Aerospace Dynamics Group which is the prime contractor for the missile, said the company had offered to sign a fixed-price contract on Sea Eagle.

British Aerospace would have had to produce the missile to a fixed time and price, and would have suffered all the risks involved and taken profits up to an agreed limit.

The Ministry insisted on a target-price contract, however. This provided for a margin on either side of the undisclosed target price which at its top end was 10 per cent higher than the fixed price offered by the company, Mr Dixon said.

MPs asked why the Ministry opted for the contract, apparently contradicting its new policy of making fixed-price contracts where possible. Sir Austen said he assumed the Ministry felt there was too great a risk of the company "making too much or too little profit."

Mr Nixon pointed out that the company was still at risk under a target contract. He agreed a fixed price contract provided a "sharper incentive" for the company's performance.

The Defence Committee, inquiry on the procurement of £6bn worth of military equipment a year by the Ministry of Defence, heard that it had taken 17 years—nine more than planned—from inception to introduction of the Sea Eagle with the Royal Navy.

The unit price of each double headed missile system had risen from a planned £4.8m to £10.7m (at September 1980 prices) according to a ministry memorandum submitted to the committee.

EEC backs job plan in Strathclyde

By Our Glasgow Correspondent

STRATHCLYDE Regional Council and the EEC Social Fund will co-operate in a £2m scheme to stimulate employment, particularly in West Central Scotland where unemployment is heaviest. Details of the scheme were revealed yesterday by Mr Stanley Budd, the Common Market representative in Scotland.

The project is aimed at producing 2,000 jobs initially. Employers in Strathclyde will be given a six months grant of 30 per cent of the wage they pay to each new employee.

Mr Charles Gray, the council's deputy leader, said a special unit had been set up in Glasgow. "We expect applications to begin coming in almost immediately, and we hope to be kept very busy."

Grants of 30 per cent would be paid to firms of no more than 25 employees which took on new workers and to any firm which took on anyone unemployed for six months or more.

Sealink hopes for pre-tax profit near £4m this year

BY ANDREW FISHER

SEALINK UK, the ferry subsidiary of British Rail, hopes to make a pre-tax profit of nearly £4m this year after losses in 1980 and 1981, according to its internal business plan.

It aims to invest about £100m over the next five years at 1982 price levels. Half of this will be on new ships and the rest on harbour repairs and developments, plant and machinery, and other improvements.

Sealink's business plan, which has not been published, comes as the company is preparing itself for a degree of privatisation under government policy.

A £3.5m loss is expected this year on ferry operations to the Continent and the Channel Islands. But Irish, Isle of Wight and Esturial routes are thought likely to produce a £5.1m profit. Harbours should provide another £2.2m.

Sealink's optimistic projections are likely to be regarded with scepticism by other members of the industry and by trade unions.

For 1983, it foresees a profit of £13.5m after interest and before tax, rising to £23m in 1984, £28m in 1985, and £29m in 1986. These have been calculated at 1982 price levels.

The loss-making continental and Channel Island sector is projected to return to a near £3m profit in 1983, more than doubling to £7.7m in 1984.

Late last year, the Monopolies and Mergers Commission blocked an attempt by European Ferries, owner of the Townsend Thoresen ferry company, to make a bid for Sealink.

Since then, Sealink has led other British cross-Channel operators by raising passenger fares for 1982 by an average 15 per cent. This followed a price war which left the UK ferry sector in financial chaos.

Sealink, which runs services with continental partners, will produce its 1981 figures—it has already indicated a loss was made—in mid-April.

P & O Ferries lost more than £5m on ferries at the trading level in the first half of last year, but improved in the second half, which included the peak summer season.

European Ferries lost more than £9m on shipping in the first six months, but also did better in the second half. Sealink's last published figures for 1980 showed an overall pre-tax loss of £3.8m.

In the early years of the investment programme, the emphasis will be on Isle of Wight vehicle ferries, already ordered, and fast ferries from the island.

The first seagoing ship—due for delivery in 1986—will be for the route from Stranraer in Scotland to the Northern Ireland port of Larne.

● Robin Reeves writes: Sealink has formally asked the Irish-owned B & I line to postpone the berthing trials planned next week for its proposed new daily Dublin-Holyhead service because of trade union opposition.

Home loans of 100% in Lloyds Bank offer

By Rosemary Burr

LLOYDS BANK, the first clearing bank to enter the home loan market, is offering 100 per cent mortgages on homes costing up to £30,000.

The bank's move follows hard on the heels of the Bristol and West Building Society, which on Monday announced 100 per cent mortgages for first-time buyers purchasing homes up to £25,000.

The introduction of 100 per cent mortgages comes when the competition for mortgage business between banks and building societies has hotted up. Two weeks ago Barclays Bank launched a £1m campaign to market its Getting Married scheme, promising couples guaranteed mortgages of up to 95 per cent.

Mr Fred Crawley, deputy chief general manager of Lloyds Bank, said: "Lloyds Bank is confident that we can offer responsible borrowers 100 per cent of the money they need to buy their own homes."

Borrowers are charged a one-off fee, or indemnity premium, when taking out a 100 per cent mortgage. The fee covers the cost to the bank of taking out insurance cover against a borrower defaulting.

Lloyds, which has lent £400m in the mortgage market, was the first bank to agree to lend up to 95 per cent mortgages. Since the autumn the bank says demand has been "fairly strong, running at £50m a month."

Lloyds says it will discuss a mortgage with homebuyers before they find a property. There is no mortgage queue at the moment. Home loans are available from £5,000 and the bank says the scheme "will be of special value to first-time purchases."

Lloyds' 100 per cent mortgages and Barclays' Getting Married scheme represent attempts to increase the banks penetration of the lower end of the market.

Bristol and West already offers more favourable terms to first-time borrowers. The society decided in the autumn to charge first-time buyers with mortgages of less than £15,000 an interest rate of 14½ per cent for the first five years — a quarter point below the standard rate.

Families 'worse off on benefit' than in work

BY ROBIN PAULEY

FAMILIES ARE worse off on unemployment benefit than in work even if wages earned are below average, says a report by the Institute for Fiscal Studies.

This reverses the situation in 1978, where some workers on below average earnings were only marginally worse off on the dole. When travelling to work costs were included, they were better off out of work.

The Institute took a poor family with a husband's wage of £70 a week in 1978, producing £60.73 net. If he had been unemployed then he would have received £57.33 net. The £3.40 difference would, in many cases, have been more than accounted for by travel.

Estimate

By 1980 the net income in work was £86.25 compared with £78.18 on the dole. The estimate for this year is £105.61 net (from a wage of £125), against £84.86 net when unemployed.

The proportion of net earned income received in benefit has therefore fallen from 94 per cent in 1978 to 80 per cent in 1982.

Abolished

The Institute says the change has taken place because earnings-related supplements to benefits have been abolished — a move that will be effected fully by mid-1982—unemployment benefit will be taxed from the start of the 1982-83 financial year, and the rise in basic unemployment benefit has failed to keep pace with inflation since 1978.

It says the problem in the late 1970s was the result of short-term benefits being too high. Few long-term unemployed had ever been better off on the dole than in work.

In 1978 only 6 per cent of the working population would lose more than half their income when they lost their jobs. This year the figure would be about 32 per cent.

Fewer forms needed, says White Paper

BY ROBIN PAULEY

BRITAIN IS being submerged in a sea of official paper, with more than 2bn official forms and leaflets used by the public each year. This is equivalent to about 36 for every man, woman and child in the country, the Government said yesterday.

Its White Paper on Administrative Forms in Government said the cost to taxpayers was unknown, but if each form cost only 10p, the annual bill would be about £200m.

The White Paper is the result of a review co-ordinated by Sir Derek Rayner, Mrs Thatcher's personal adviser on waste and efficiency in Whitehall, on forms in eight Government departments.

Civil servants from the departments and the Management and Personnel Office conducted the review which resulted in more than half the sample of 93 kinds of forms examined being redesigned and another quarter withdrawn. This means 5m fewer forms will have to be sent out, filled in, returned, checked, analysed and stored each year.

Withdrawal of forms — as against simply improving them —is becoming an increasingly controversial matter because it is being implemented parallel with the Government's curtailment of statistical information. Analysts in both Government and industry are concerned about the increasing number of areas where there is, or will soon be, no statistical information. Poor quality statistics, it is said, are now being replaced with no statistics rather than better quality information.

Sir Derek Rayner says in his report that an administrative form is not about statistics; the counter-argument is that it should be and can easily be so.

Action to control and improve forms in future will include:

● Departmental reviews of the need for all existing forms;

● Need for new forms will have to be justified and cost-effectiveness proved;

● One departmental official or unit to be responsible for design, control and review of forms;

● All departments will work to make forms clearer and simpler, avoiding jargon, and forms will be tested before introduction to ensure comprehensibility;

● Each Permanent Secretary will receive an annual report on the forms in his department.

Sir Derek's report to Mrs Thatcher on forms says that too few of them in circulation seem to have been submitted to a test which existed in 1912 when the National Health Insurance Act was brought in. "The rather ingenious device was to choose an ordinary mortal as the editor of all circulars. His task was to read them and refer them back if there was anything not immediately intelligible."

Sir Derek lists a number of reasons why forms go wrong including the lack of "pilot testing" on new forms, the view of many officials that forms are unimportant or trivial, lack of consideration of direct and indirect costs, and the lack of prestige attached to form design and improvement.

"Some officials doubt whether it is right or necessary to communicate with the public in simple language. The language used in forms can be legalistic, lengthy and intimidating. Forms are too often hard to understand. Sometimes officials themselves do not understand the forms they sent out. . ."

Error rates of more than 30 per cent, either by staff or the public, are common, Sir Derek adds. The rate of errors in applications for hill land compensation is 50 per cent; application for citizenship 48 per cent; and tax returns 48 per cent.

Apart from the use of jargon and legal terms, notes sent to help form-fillers often turn out to be less than helpful Sir Derek says. Notes may be seperated from questions and put in a different order so form-fillers are led into a maze of references.

For example, the Inland Revenue form P70C (an assessment notice) has 25 notes which need to be referred to in the following order: 8, 1 and 2, 10, 13, 14, 15, 17, 18, 3 and 23, 3, 24 and 25, 26, 4, 4, 5, 6 and finally 7. "As the notes are printed on the reverse of the form comparison involves a lot of memory." Sir Derek writes.

The Management and Personnel Office (MPO) has also produced a report on the control of forms and will take on the job of ensuring that each department maintains the momentum of improving the quality of forms it uses.

It has produced a list of 62 recommendations to help departments improve the use of forms.

Sir Derek identified the main requirements for radically improving forms as determination that administration should be excellent, knowledge of the whole purpose of a scheme for administration and imagination to put oneself in the place of the form's recipient.

** Administrative Forms in Government, CMND 8504, HMSO, £2.50. Review of Administrative Forms, Report to the Prime Minister by Sir Derek Rayner, £2; Forms under Control, MPO, Old Admiralty Buildings, Whitehall, London, SW1.*

Increase in drinks superstores forecast

By Gareth Griffiths

DRINKS SUPERSTORES offering a wider choice of alcoholic drinks and longer opening hours are likely to become much more widespread in the British off-licence sector, says a report published yesterday.

In a report on the wine and spirits off-licence sector, Key Note Publications argues that supermarkets will continue to take business away from specialist drinks outlets and small grocers.

But the overall market should expand with increased business from customers who formerly bought their drinks in public houses. The number of off licences in the UK rose from 37,132 in 1976 to 41,097 in 1979, with brewers attaching greater importance to wines and spirits. Wines and spirits account for three-quarters of off-licence sales.

Multiple grocers and large drinks superstores have benefited most from the surge in off-licence sales. The report says that the main feature of the market during the past year has been the rise in new beer brands.

The shift towards drinking at home has been met with apparent indifference to changes in marketing on the part of the more traditional specialist off licences. "Many specialists appear to have been so shell-shocked by the rampant gains made by the supermarket sector that they left it dangerously late before acting to improve matters."

The supermarkets and large wine stores have done well because they offer competitive prices and are open long hours. They benefit from the fact that 80 per cent of all drinks sales in supermarkets are made by women and that there is an increased tendency among shoppers to get all their goods in one trip.

The off licence trade should benefit from the traditional pre-Budget buying spree and also the possibility of a boost with television viewers drinking at home while watching the World Cup this summer. Many brewers share this assumption although some discount it as wishful thinking.

Wine and Spirit Merchants. Price £35. Key Note Publications, 23, City Road, London EC1.

More small factories provided

BY TIM DICKSON

TAX INCENTIVES introduced in 1980 may have helped triple the supply of small business premises coming on to the market, Mr John MacGregor, Minister with responsibility for small companies, said yesterday.

A sample study by the Department of Industry of 20 areas shows 666 units are likely to be started in the current financial year, compared with 387 in 1980-81 and 175 in the year before Industrial Building Allowances were available.

"One cannot be sure that it is right to project the figures nationally from this sample," Mr MacGregor told a Guildford audience of small business owners.

"But on a rough and ready basis the study suggests that the number of total additions to small workshop premises in England alone has probably risen from about 2,700 a year before the introduction of the allowance to about 9,400 a year since it came fully into effect."

The allowance enables corporate and private investors to claim 100 per cent capital allowances in the first year on money invested in small industrial workshops up to 2,500 sq ft.

They were introduced in the 1980 Finance Act after a report by accountants Coopers and Lybrand. This confirmed that for years there had been a serious shortage of small industrial premises.

The Government identified this as a major barrier to the starting and developing of small businesses.

Mr MacGregor said almost all new investment in this type of property unit had come from the private sector, notably from local private investors.

Developers had indicated that the introduction of the allowance had been the major influence on their investment decisions.

"The difficulties of developing and managing small workshop estates had been such as to discourage developers previously, until the tax incentives changed the balance."

He referred to pressures on the Government to extend the qualifications for the allowance to additional categories of use. Small business lobby groups and developers are asking the Chancellor to make changes in the Budget next month.

Investors in small units can claim the allowances only where tenants are, broadly speaking, manufacturers.

The definition of manufacturing is most fully laid out in the 1968 Capital Allowances Act but the position is complicated by a great deal of case law.

Qualification is granted, for example, only if a manufacturing process is "repetitive." An investor would be able to claim his allowances if the tenant's business was fitting sun roofs to his customers' cars—but not if it was an all-round car repair business.

Also, if storage is the tenant company's only business it may well qualify. If the company is doing something else and storage is incidental it may not.

Mr Bill Colegrave, of West End investment bankers W.R.B. Colegrave, says: "It seems silly to create a difference in value between units let to qualifying tenants and to non-qualifying tenants.

"People like us who are putting up the money to build these units are having to be absolutely certain that the tenant will qualify. As a result we have ben turning away some potential users

The Union of Independent Companies says the limitation of the incentives to certain users has left the units of some first time development vacant.

Mr Bill Poeton, the chairman of the union, said: "If they broadened it out to commercial users and indeed to anybody who could pay the rent I am convinced that a lote of the slack would be taken up."

Ministers sympathise with this view but the Treasury and the Inland Revenue are concerned about the cost of such a move.

Budget aid sought for East Midlands

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

A PLEA to the Government for a Budget which will "give a badly needed transfusion to recession-hit firms," came last night from the East Midlands Engineering Employers Association.

Mr Michael Stamper, the association director, said investment in new technology and associated equipment was not taking place quickly or vigorously enough. Such spending was essential for the region's future prosperity.

Enormous reductions in capital spending had already done "irreparable damage to the manufacturing and construction industries."

The Association, in a letter to the Chancellor of the Exchequer, called for a cut in the National Insurance surcharge, a stimulus to public spending on engineering equipment, and the inflation indexing of income tax allowances.

Such action could be taken without damage to the Government's plans to reduce inflation, which must remain the main priority, Mr Stamper said.

The Association wanted the Government to revise procedures for planning and controlling public expenditure, so that economies intended to fall on current spending could not be avoided by cutting capital spending instead.

Mr Stamper said there was a need to reduce the burden of taxation on engineering companies which represented "a crucial wealth-creating sector." Indexation of income tax allowances in line with inflation would be "of considerable help" to companies.

The Association, with other bodies making representations, thought the removal of the National Insurance surcharge would make industry financially sound and encourage private investment.

'Merseyside cheap fares lawful' says judge

By Robin Pauley

MERSEYSIDE COUNTY Council yesterday won a High Court case over its cheap bus fares scheme and the 6p supplementary rate.

Mr Justice Woolf said the Labour-controlled council acted lawfully in levying a 6p in the pound rate to pay for a cut of 10 per cent in bus fares.

The action was brought by Great Universal Stores, the mail order company, which was ordered to pay all costs estimated at about £30,000. GUS is considering an appeal.

The Judge said the supplementary rate was not challenged until January because GUS was awaiting the Law Lords decision on the Greater London Council's cheap fares policy.

The Lords found the GLC supplementary rate unlawful, but this did not excuse the delay by GUS. Different Acts of Parliament were involved.

It certainly did not excuse GUS failing to warn the county council of its intention to bring an action. London was covered by the Transport (London) Act 1969. Other local transport authorities were covered by the Transport Act 1968.

There were also differences between the GLC and Merseyside cases. Merseyside would not automatically lose the rate support grant because of fares reduction as did the GLC.

Mr Justice Woolf said the 1968 Transport Act did not mean setting fares at a level resulting in a deficit was automatically unlawful.

The county council was under Conservative control until May when Labour won. GUS claimed the new administration did no more than bring into effect arbitrarily a manifesto pledge without taking anything else into account.

He did not consider there was anything objectionable in the council not considering alternatives so lon gas they came to the conclusio nthat it was a proper proposal to adopt.

There was nothing sinister about the introduction of the cheap fares within two months of Labour winning office, nor could it be said the new policy was manifestly inconsistent with the duty which the council owed to its ratepayers.

Two court cases highlight debate on district auditors

Robin Pauley looks at the legal threat to Camden councillors

A HIGH COURT action which will start at the end of next month may result in 30 members of Camden Council being jointly surcharged more than £2m for voting in 1979 to pay manual workers a minimum weekly wage of £60.

The councillors were all members of the ruling Labour group, but three have since joined the Social Democrats and some are no longer members of the council. These include Mr Ken Livingstone, Labour leader of the Greater London Council.

If the case, brought by the district auditor, is lost by the council all 30 face the £2m bill, bankruptcy if they cannot pay and disqualification from office for five years. This would mean, for instance, instant dismissal from public life for Mr Livingstone.

Even if the council wins, it faces another case which will land councillors with a personal bill for £20m if they lose. This case, brought by ratepayers, alleges negligence, uneconomic rent levels, losses by the direct labour organisation, failure to reduce expenditure and the loss of £25m grant by excessive expenditure levels.

The case was thrown out of court by a judge with the comment that local authorities "are particularly vulnerable to actions by busybodies and cranks." He gave the council full costs.

But the next day, Sir Michael Havers, the Attorney General, took over the case and allowed the complainants to proceed.

The two cases, highlight the uncertainty which councillors face when making policy and spending decisions—a difficulty worsened by the Law Lords ruling on the GLC's levels of subsidy to London Transport.

External

Much of the debate centres on the role of the district auditors. They carry out the external audit of council accounts other than those opting for private audit.

They are supposed to be independent, under the control of Mr Peter Kimmance, the Chief Inspector of Audit. He is based in Bristol but the section comes under the Environment Department. Staffing levels can be altered by the Environment Secretary.

Mr Ian Pickwell, the Camden auditor, is based at County Hall. The extent to which auditors can comment about levels of spending rather than conduct an accounts audit, is partly responsible for complaints about the growing "politicisation" of audit.

The system of public audit management will change under the Government's Local Government Finance (No. 2) Bill. This will create an Audit Commission to allocate public or private sector auditors to each council. The Commons committee considering the Bill will start examining these plans today.

There is widespread opposition to the proposals, not least because some councillors and MPs feel the retention of powers by the secretary of state over the commission increases the threat of politicisation of audit. This, it is felt, threatens the independence of audit—crucial to its satisfactory operation.

All these problems surfaced at the recent Labour Party local government conference in Sheffield, where delegates wrestled with the growing incompatibility of the role of the auditor, legal and political intervention, and local autonomy and democracy.

A background paper said: "The threat of a surcharge, not for acts of dishonesty or financial negligence, but for the exercise of political discretion on matters apparently within the competence of elected councils to determine, strikes at the heart of local government.

"At the very least it could work to restrict local authority membership to those individuals who, for one reason or another had little to fear from the personal consequences of a surcharge and who might thus be in many respects unrepresentative of the community in general."

Mr Jeremy Beecham, a lawyer and Labour leader of Newcastle City Council, said a district audit service was needed, to check the workings of a high-spending machine and to encourage efficiency.

But the prospect of placing the district audit service under ministerial control was "a little like subordinating the Metropolitan Police to the Richardson or Kray brothers."

The district auditor should have the right to raise questions and focus public attention on areas where he is dissatisfied. But this should not give him the right effectively to supercede the democratic process, he said.

On this there is again a great deal of controversy concerning the latest report to Camden Council by Mr Pickwell at the end of last month.

Urgent

He says: "The council's failure in the past to reduce its expenditure has helped to bring about a situation in which that task is now urgent . . .

"Indeed the level of the general rate is now so high that the council cannot in my view close its mind to the possibility that further increases could in turn give rise to serious collection difficulties."

Many councillors saw this as an invitation to ratepayers to take action if the rate was not cut. Their first line of action is to complain to the district auditor who puts the case to the courts if he accepts the complaint.

This is behind the growing demand from Labour councillors for a future Labour Government to legislate to remove the surcharge threat from councils and indemnify retroactively any Labour councillors caught before the legislation is enacted.

Moderate Labour Party opposition members have been reluctant to give such an undertaking but the pressure of events is clearly weakening their resolve.

But he did not promise retroactive indemnity demanded once by the Left and increasingly by the centre of the party. Mr Tony Benn said the Labour movement should campaign for an amnesty and work to get it through Conference as part of party policy.

Mr Beecham said: "The job of the next Labour Government must be to legislate in clear terms to provide a new framework for local authority activity, to curtail the opportunity for judicial mischief-making, to confine the district audit service to its proper role and to reinforce the operation of representative local democracy."

Camden and the High Court will be the key to the future direction of this debate. It is being watched as keenly by a growing number of Conservatives who are every bit as unhappy as the Labour Party about the role and future of the district auditor.

UK NEWS—LABOUR

Times redundancies deadline likely to pass without deal

BY IVO DAWNAY, LABOUR STAFF

THE DEADLINE set by Times Newspapers on its appeal for 600 voluntary redundancies by 10 am this morning looks certain to pass without agreement.

In a letter to employees last week, Mr Rupert Murdoch, chairman of Times Newspapers, said the company would have to close "within days rather than weeks" if the crisis at the papers, which is costing an estimated £15m a year, is not resolved.

But last night, with less than 12 hours to go before the deadline for voluntary redundancies expires, it emerged that no substantial job cuts have been found.

Out of the 700-strong Times and Sunday Times National Society of Operative Printers, Graphical and Media Personnel clerical chapel (office branch) only 55 have come forward to accept severance pay, despite a request for 390 redundancies.

Talks aimed at achieving substantial reductions in casual shift working by Natsopa machine assistants on both newspapers have not so far been settled.

Little progress has been made in achieving redundancy targets among members of the National Graphical Association. The company was seeking to cut nine NGA machine managers in the Sunday Times machine room, with similar reductions at the Times.

However, Mr George Jerrom, NGA national newspapers officer, said last night: "There have been meetings with our chapel officials but there has been no rush by the company to push that through to national officer level."

The company also appears to have failed to find 35 voluntary redundancies among members of the Times editorial staff. It is believed 17 journalists have applied to go.

National Union of Journalists' officials were consulting lawyers last night on the legality of the transfer of the titles of the two papers from Times Newspapers to its parent company, News International.

Deadlock over Sadler's Wells orchestra strike

By David Churchill

THE FOUR-WEEK-OLD strike by members of the Sadler's Wells Royal Ballet orchestra remained deadlocked last night in spite of fresh talks yesterday.

The dispute, which has already led the ballet company to cancel a three-week tour, could put in jeopardy next week's London season at the Sadler's Wells Theatre.

The strike is over payment for the musicians when the ballet company tours abroad and local orchestras are used. The musicians want an annual contract guaranteeing number of working weeks each year. They have rejected an offer of 35 weeks guaranteed work made by the Royal Oper House management.

Further informal talks are expected to take place today. The musicians are due to begin rehersals for next Tuesday's performance tomorrow.

Wage deals 'drifting up'

BY OUR LABOUR EDITOR

EVIDENCE from recent settlements points to a "small upward drift" in pay deals, according to the Incomes Data Services organisation.

The latest issue of Incomes Data Report says that the spread of the latest settlements is in the 5 to 10 per cent range, with the bulk of them between 6 and 8 per cent.

The 77 settlements monitored by IDS in January and February show wide variations.

At one end is a 5 per cent settlement plus a further 1 per cent for productivity for the 28,000 manual and white-collar staff at Philips: at the other is an 11 per cent increase for the 1,500 employees of Amersham International.

The report says that "the settlements reached in January for the miners and Ford, and for the water and council workers, have been part of an upward drift in settlements."

Shipyards pay rise sought

UNIONS REPRESENTING 70,000 workers at British Shipbuilding yesterday tabled a claim for a substantial increase, coupled with longer holidays and other fringe benefits, writes our Labour Editor.

The corporation is to respond to their claim at a further meeting on March 10.

A successful outcome of the pay talks is expected to lead to discussions on a "shipbuilding charter," aimed at improving consultation and productivity in the yards.

Earlier this month, the unions agreed to accept British Shipbuilding's projections of redundancies in the naval workforce of u pto 3,000 over the next five years, consequent on cuts in defence expenditure.

Police keep off pickets at closed factory

Financial Times Reporter

NEARLY 200 police held back pickets yesterday as management brought more machinery out of a factory blockaded by workers for 10 months.

On Tuesday, five pickets were arrested at the Laurence, Scott and Electromotors factory in Manchester and stones and bottles were hurled at the convoy of lorries. There was no violence yesterday. Fewer than 100 pickets were at the gates. Police will continue to keep a 24-hour watch on the factory, which closed last April with the loss of 630 jobs, until all the machinery was moved. This was expected to take at least a week.

Mr Charles Morris, Openshaw Labour MP, criticised what he called an "overkill operation" by the police.

He said he had already questioned Mr William Whitelaw, Home Secretary, about the scale of the operation.

He claimed there were 300 to 400 police surrounding the factory on Tuesday. "I accept they have a job to do and they have their responsibilities, but I call this overkill. There appeared to be two policemen for every picket," he said.

Mr Morris added that during the 10-month dispute, local residents had been "roused from their beds in the early hours as sledgehammer wielding teams of bailiffs took possession of the factory."

Their children had been frightened by an "SAS-style" helicopter operation to salvage some equipment last year.

The residents would have to pick up the bill for the police presence, he added.

Greater Manchester Police said the scale of the operation had been to keep the peace with the minimum amount of disruption and inconvenience to local residents.

BA rejects union plan to end dispute

BRITISH AIRWAYS yesterday rejected new proposals put forward by the Transport and General Workers' Union to end the official ramp workers' dispute over new work schedules at Heathrow Airport, writes Brian Groom.

Union officials proposed, with shop stewards' agreement, a return-to-work under present schedules while talks continued. They said their peace plan contained a clear implication that the union executive would ensure BA achieved the job cuts sought, on a timetable to be negotiated.

BA says that about 300 ramp workers seeking redundancy are waiting to leave, but cannot go until the changes are implemented.

Mr John Collier, the TGWU's civil air transport secretary, said rejection of the peace plan meant that the troubles at Heathrow would grow because of the continued use of "blackleg labour."

The airline said intercontinental flights from Terminal 3 were operating normally yesterday in spite of the decision by 2,000 ramp workers at Terminals 1 and 2 to extend their picketing.

Nearly 90 per cent of European and domestic services were operated with the help of volunteers, and a similar level of service is expected today.

There were unconfirmed reports that Terminal 3 stewards had voted to work normally. This follows Tuesday's decision of engineering and maintenance staff not to "black" aircraft loaded by volunteers.

Snags on the take-off run

Brian Groom looks at the effects of the Heathrow ramp staff action

THE RAMP WORKERS' dispute at Heathrow Airport has, ironically, highlighted the remarkable smoothness with which the troubled British Airways was implementing the redundancies and reorganisation so vital in its efforts to become profitable again.

Until last Tuesday, when the dispute began, BA had almost completed its drastic surgery without mishap. Every group but the 2,000 ramp workers on Terminals 1 and 2 has accepted sweeping changes. These involve harder work all round in a year when the staff's pay has been frozen.

The State-owned airline's rescue plan, announced last September, involved 9,000 job losses by June to under 43,000. The workforce is now just over 45,000, and the staff reduction is on schedule.

The temptation is to conclude that, even allowing for the ramp workers' dispute, the reorganisation has succeeded. The cost of the disruption has been minimised by the flood of volunteers willing to load baggage without pay, and keep a high proportion of aircraft flying.

At least two factors give continued cause for concern, however. The first is the sheer size of BA's problems. It lost £141m, pre-tax, in 1980-81, and this year's forecast loss of over £100m in the year to March 31 is now considered a conservative estimate by some BA managers.

Staff cuts are the key element in the retrenchment programme aimed at achieving a profit or break-even in 1982-83, prior to an intended sale of BA shares by the Government. But much will depend on a major upturn in the world air travel market.

Secondly, the scramble for the airline's severance scheme last autumn has led to criticism that the terms were too generous. It is now understood that that the final total of applicants was some 14,000. The target was 9,000 job cuts by June — and some of those were to be achieved by early retirement rather than redundancy.

The severance scheme gives half a year's pensionable pay for less than three years' service, one year's pay for three to 10 years, and an extra 10 per cent for every year's service up to a maximum of a year and a half's pay for 15 years and over.

This gives a theoretical level of £35,000 or more for a top pilot, but in practice few, if any, have left with more than about £20,000.

Price Waterhouse, the accountants investigating BA's financial situation, are believed to be examining this issue. The airline says it was by no means clear last autumn that it would get the number of applicants sought, and that if it had had to declare compulsory redundancies it would have faced severe labour troubles.

The number of applicants has also enabled it to consider further staff cuts after June. These are likely to push the estimated cost of severances from £100m to nearer £150m, but the long-term saving will be proportionately greater. The original saving on staff costs was foreseen as over £100m a year out of a total of nearly £700m.

The reorganisation has been achieved at some cost to the airline's already poor staff morale. BA has been facing two apparently contradictory complaints — there has been irritation among those who applied for redundancy and have yet to be accepted, while some others complain of overwork because staff have been allowed to leave too fast.

In some instances the delicate issue of the pace of change has been misjudged.

Some maintenance stewards clai mtheir ability to get aircraft flying again is now so stretched that there is a danger of delays, even after the dispute is over.

Passengers have reported surly treatment from overworked cabin staff, and BA was voted the businessmen's least popular airline in a poll carried out by the magazine Business Traveller.

The large number of volunteers loading baggage in the present dispute is, however, an indication of the seriousness with which staff now view the airline's problems. If we have accepted extra work or redeployment, they say, why should ramp workers not do the same?

The management wants to roster the ramp workers for 40 hours instead of the present 38½ hours, end guaranteed overtime, increase their "attendance factor," and deploy them more flexibly. These seem considerable demands, even though the workers will receive about £130 a year each in return.

BA points out, however, that it wants to bring the short-haul Terminals 1 and 2 ramp staff on to the same conditions as those of the long-haul Terminal 3 workers, who have already accepted changes and who, BA says, worked more flexibly anyway. It has wanted to do this since the merger of BEA and BOAC in 1972.

The ramp workers say they would lose earnings under the new work schedules, and that changes for other groups have been reached by agreement: no others have had changes imposed. Their stewards object to tightening their belts so the Government can "privatise" the airline.

Leyland strike leaders stand firm

Nick Garnett looks at the crisis BL's commercial vehicle plants face after a month's strike

THE 20-MAN strike committee sat in Leyland Vehicles sports and social club yesterday and unanimoulsy recommended that the four-week strike at the company's Lancashire plants should continue.

For many outsiders that decision will be a new chapter in an old story. To management it will be a further lurch into crisis for the company if workers at mass meetings today vote to support the recommendation.

So far the workforce has been steadfast in supporting the stoppage. The workers have not been consulted by stewards for a fortnight. Warnings by the company of further contractions, in addition to those in the corporate plan over which the strike was called, must be worrying many on the shop floor.

For the company a vote today to continue the strike would presumably bring closer decisions on further plant closures. Mr David Andrews, Leyland Vehicle Group chairman, said in a letter to all workers this week that a continuation of the stoppage "could put us out of business within days." A harsh warning which must strike a chord for employees.

Sir Michael Edwardes, the BL chairman, has also warned that if the strike continues it will cause the closure of the company's Bathgate plant in Scotland. The workforce has also been on strike for a month.

Workers vote at Bathgate on Friday, but stewards at the Scottish plant and those at the Lancashire sites have not kept in very close contact with each other during the dispute. The attitude in Lancashire seems to be that if the Scottish workforce comes to some satisfactory agreement with the company that is their business.

The strike is over 4,100 redundancies the corporate plan requires in London and Scotland. But it has also been over the "shrinkage" of a truck and bus manufacturer which once had the greatest name and tradition for commercial vehicle

There are clues to this everywhere. The dispute committee's special newspaper, to be published today, has all the invective of a union strike sheet.

But it also contains photographs and a drawing of diesel engines, photographs of new Leyland trucks in operation and a prototype under test in a double-page spread on the unions' alternative plans.

Another factor is that the topic which generates more heat among shop stewards is Leyland Vehicles' equipment, tooling and machinery—not in the assembly areas but in the machine shops.

"Some of the stuff in there is 50 years old. There are ex-War Department machines," says Mr Wilf Brogan, a steward and Wigan councillor.

Mr Jack Wilson, convener for the Tass white-collar section of the Amalgamated Union of Engineering Workers says the strike was "precipitated because the workforce resisted the plan.

"The workforce said we are prepared to make a stand here because we believe in Leyland. Whole families work here and the community is bound up with the place. They are saying that if we don't take a stand now we'll see it all disappear."

Mr Mick Coyne, senior convener at the Leyland site, says: "Some of the lathes are so old they have to be constantly adjusted for play."

He says the local community is still fully behind the strike.

The company knows, he says, that anyone with any intelligence can see the logic of the plan would be the creation of an assembly unit so small it could be sold.

Mr Coyne is a left-winger and sometimes a political element creeps in. "We've made a massive contribution to the balance of payments. We are not letting anyone from South Africa or anywhere else come along and take it away from us.

"The dispute is not about individuals. The corporate plan is wrong, ours is right."

But management, taking an overview of what products should be made at which plant, says the corporate plan is necessary to maintain Leyland Vehicles' viability.

At a time when the world truck market has collapsed, and with losses predicted for the company, the unions' demand for expansion and an acceleration in investment is a pipe-dream. That would require £600m over the next five years, Sir Michael Edwardes said

From the top of the sports and social club you can get a good view of the little red brick town whose name is synonymous with truck building. In the club's main function room they are handing out strike pay.

Lords attack on university numbers

BY IVOR OWEN

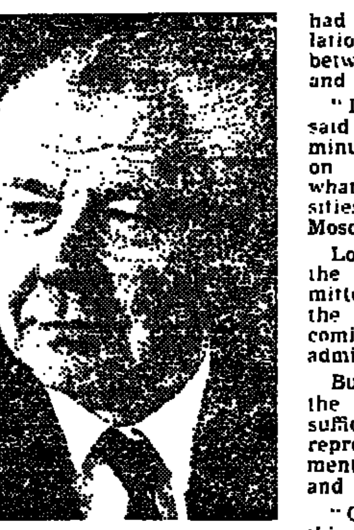
STUDENTS SEEKING entry to Britain's universities face obstacles as formidable as those encountered by their Russian counterparts who want to study at Leningrad or Moscow University, Lord Robbins claimed in the House of Lords last night.

In a speech from the non-party cross benches, he accused the Government of having departed from the so-called Robbins principle — that a university place should be available to all with the necessary ability and aptitude.

Lord Robbins, who presided over the Committee on Higher Education whose report led to the expansion of Britain's universities in the 1960s, accepted that in the present financial crisis the universities could not be immune from cuts.

He suggested one economy which might be justified was a switch to student loans instead of grants in cases where the level of the post-graduate salary made repayment of the sum involved a reasonable commitment.

Lord Robbins made it clear he was not prepared to support those who argued it was not possible to make any cuts in expenditure on the universities without complete educational catastrophe.



Lord Robbins

But he challenged the way cuts had been imposed on the universities by the Department of Education and Science, and by the University Grants Committee.

The detailed limitation on numbers for each university had completely changed the relationship which had existed between the grants committee and the universities.

"I find it deeply disturbing," said Lord Robbins. "The minute prescription limitations on numbers reminds me of what I witnessed in the universities of Leningrad and Moscow."

Lord Robbins acknowledged the need for the grants committee to make estimates of the probable global numbers coming forward for university admission.

But he questioned whether the committee had been sufficiently robust in making representations to the Department of Education and Science and to the Treasury.

"Global estimates are one thing—total prescription to each individual institution sometimes to the last digit is another."

Lord Robbins described the removal of the freedom of the universities to control the size of their own admissions as a "very serious thing indeed."

Reaffirming his faith in the principle that university places should be found for all young people willing and able to benefit from higher education Lord Robbins said it was a pity the principle had been thrown overboard.

He made no attempt to estimate how many young people were likely to miss a university education as a result of the difficulties of making judgments based on "A level results."

Lord Robbins said: "I do not believe that at "A" level stage it is possible to gauge, without a wide margin of error, who is going to do well later and who is going to fizzle out."

Lord Eccles (Con), who twice held office as Minister of Education, said he was behind Sir Keith Joseph, the Education Secretary, in believing stricter financial disciplines were required in the universities. These should follow the years of rapid expansion which resulted from the Robbins Report.

He suggested that vice-chancellors might be grateful for the opportunity to tighten admissions.

Lord Eccles said the present system of education was uneven and unfair, and urged that more resources should be devoted to those in the 16-to-19-years age group and for adult education.

Tory MPs seek to toughen law on disputes

By Elinor Goodman, Political Correspondent

TORY BACK-BENCHERS on the committee examining the Employment Bill may try to persuade Mr Norman Tebbit, the Employment Secretary, to add a clause to the Bill making disputes procedures legally binding.

Some of the rightwingers who were most active in pressing Mr James Prior to toughen his Employment Bill when he was Employment Secretary, now seem likely to focus their efforts on this proposal.

Tory members of the committee, which begins sitting today, will discuss their tactics with Mr Tebbit shortly.

Because of the composition of the committee it would be very difficult for the half-dozen Tory back-benchers on it to push through any amendments without the support of the Government.

But the rightwingers believe Mr Tebbit is basically on their side, and that he may be prepared to accept an amendment of the sort they have in mind.

The basic idea is that unions would lose their immunity if they did not keep to agreed disputes procedures.

Where no disputes procedure existed, unions would be unable to claim immunity until they had taken the dispute to the Government's Arbitration and Conciliation Advisory Service or another independent conciliator.

Its supporters hope that this would encourage unions to regard strikes as a weapon of last rather than first resort.

The Government's attitude until now has been that making procedure agreements legally binding would create a legal minefield, because existing agreements were not written with a view to giving them legal force.

The proposal was, however, included in the Government Green Paper on trade union reform, which formed the basis of the present Bill.

It was not included in the Bill, but had widespread support among employer's organisations, including the Confederation of British Industry and the Institute of Directors.

It also won the support of the British Institute of Management, which sent a letter to Tory MPs yesterday suggesting various changes to the Bill, including legally enforecable procedure agreements.

Labour has submitted 40 amendments, while Tories on the committee are also discussing changes to the Bill in addition to procedural agreements.

Shore expected to step up pressure for incomes policy

BY ELINOR GOODMAN, POLITICAL CORRESPONDENT

INCOMES POLICY, which caused such deep divisions in the Labour Party during the last Labour Government, is set to re-emerge as a central, and almost certainly divisive, issue within the party.

Mr Peter Shore, Shadow Chancellor, is expected soon to break the virtual taboo on public discussion of incomes policy and step up his efforts to get the unions to agree some form of incomes policy before the election.

Mr Shore has never made any secret of his own belief that an incomes policy must form part of Labour's economic strategy if inflation is to be contained. But he has deliberately not forced the pace of the debate, which since the election, has taken place largely behind the scenes of the TUC Liaison Committee.

Over the next few weeks, however, he is likely to be more explicit about his views.

His move reflects concern among a number of Shadow Cabinet Ministers and MPs that Labour has so far failed to tackle what they believe is one of the most crucial issues facing the party.

This concern emerged yesterday at a special meeting of the Parliamentary Labour Party to discuss priorities for a Labour Government. Two front bench spokesmen said it was essential the party started thinking about how a future Labour Government would tackle inflation.

Amid repeated warnings from Labour MPs of the dangers of Labour promising more than it could deliver, Mr Jack Straw, a junior Opposition Treasury spokesman, and one of Mr Shore's closest allies, warned that Labour's plans could be wrecked by a wages explosion. He said that he was opposed to a statutory incomes policy, but that the party must come to some sort of standing with the unions about wage levels.

In similar vein, Mr John Garrett, a junior industry spokesman, claimed free collective bargaining could jeopardise the party's chances of success.

More surprising support came from Mr Michael Meacher, one of Mr Tony Benn's supporters

He said unrestricted free collective bargaining was incompatible with full unemployment.

If Labour were to plan trade, and introduce planning agreements, as he believed it should, then it would also have to plan incomes.

"If we are going to will the end, we will have to will the means," he maintained.

Other Left wingers believed that any move to restrict wages would reopen the divisions in the party. At yesterday's meeting, Mr David Winick said nothing could be worse than discussing incomes policy now.

Though most members of the shadow Cabinet believed some agreement with the unions over the control of inflation is central to Labour's credibility, there has been little public debate about wages since the election. The party's alternative economic strategy refers vguely to a "national assessment" of the economy, which would consider such factors as profits and "earnings from employment."

Commons Sketch

Acrimonious pow-wow over Canada

IT WAS obvious that strange things were afoot in the Commons yesterday. Outside the main entrance a group of Canadian indians were gathering, including such exotic figures as Chief White-cap and Chief Powerful Bear That Comes Over—all of them dressed in full regalia.

It was a relief to learn that their eagle feathers were not war bonnets but were the traditional ceremonial head-dresses which are worn for great pow-wows.

All of this was certainly appropriate for the events in the chamber, where MPs were about to start the great debate on the controversial Canada Bill, which hands back to the Canadians sovereignty over their own Constitution.

After two years of bickering in Canada most of the provinces accept Prime Minister Trudeau's constitutional proposals. But Quebec is still holding out against the idea and the Indians of Alberta, British Columbia and Manitoba are also opposed to it.

It was soon clear that the divisions in the Commons were as acrimonious as those in Canada. A formidable assortment of MPs from all parties were bitterly hostile to the legislation.

The points of order experts and the lawyers—amateur and professional—appear to be set for the biggest cross-party imbroglio since the row over devolution and the defeat of the last proposal to reform the House of Lords.

Mr Enoch Powell (Ulster Unionist, South Down) was in alliance with the vociferous Mr Tony Marlow (Con Northampton North) on an amendment opposing the Bill.

They posed the central paradox of how the legislation could possibly include a Bill of Rights for the Canadians while simultaneously renouncing the power to legislate for Canada.

Another larger group of opponents included such normally incompatible figures as Sir Bernard Braine (Con Essex South-East), Sir John Biggs-Davison (Con Epping Forest), Mr Dafydd Thomas (Plaid Cymru Merioneth) and Labour left wingers such as Mr Sydney Bidwell (Southall) and Mr Christopher Price (Lewisham West).

They were opposed to the Bill because it was going ahead without the consent of Quebec and was breaching the treaties entered into with the Indians in the good old colonial days.

The thankless task of putting the case for the Government went to Mr Humphrey Atkins, Deputy Foreign Secretary.

With some trepidation he announced that the Bill was "unique in modern times."

His manner suggested that he would have preferred to be dealing with comparatively simple matters like the Middle East entanglements or the long drawn out East-West arms negotiations.

Luckily he found an ally in Mr Denis Healey, Labour's foreign affairs spokesman, who cautiously declared: "Constitutional arguments in my experience are the most exhausting and frustrating—and often the most fruitless."

But an extremely formidable opponent appeared in the shape of the veteran lawyer Sir Derek Walker-Smith (Con Hertford East) who felt the Bill was premature because the legal arguments of the Indians and the objections of Quebec were still outstanding.

Announcing that he would abstain he summed up his attitude to the legislation with an apposite quote from Arthur Hugh Clough: "Thou shalt not kill but need not strive officiously to keep alive."

By this time it was clear that by the time the legislation completes its long and stormy passage many MPs will be heartily wishing that this simple expedient could be followed.

John Hunt

Trunk road building 'cost £75m less than planned this year'

BY LYNTON McLAIN, TRANSPORT CORRESPONDENT

THE GOVERNMENT is expected to have spent £75m less on Britain's trunk road and motorway programme in the financial year to the end of March than it planned, Mr Kenneth Clarke, Parliamentary Under-Secretary of State for Transport, said yesterday with the publication of the latest White Paper on roads.

The British Road Federation attacked the underspending as a continuation of successive governments' "deplorable record" on road spending.

"Money that could have been used to build desperately needed by-passes in the current financial year has been lost to the programme because of serious miscalculation," said the federation, which represents road builders, road-users and the motor manufacturers.

"In the last 22 years, the road budget has been under-spent in 19 of these years," said the federation. Nevertheless, eight more by-passes had been added to the "active trunk road programme," Mr David Howell, the Secretary for Transport, commented.

Preparation work had been resumed on six more by-passes which were previously on the suspended list of roads schemes. These were at Stockport and Hazelgrove, Newark, Bath-easton, Axminster, Burscough and Burton Latimer and Rushden.

The Government had also added by-pass schemes for Wigton and Egremont, Cumbria, to the programme.

At the same time, the Transport Department and the Treasury were looking at alternative ways of raising money for roads, outside the public sector. Toll roads and schemes for the private sector to raise the capital and lease roads back to the Government were all being considered, Mr Clarke said.

However, the "desk exercise" now underway on these alternative financing arrangements had run into difficulty. The Treasury insisted on the need for genuine risk capital from the private sector, but companies such as Tarmac, which had approached the Government with ideas, had not so far been able to meet their own and the Government's criteria.

The £75m underspent on trunk roads and motorways in the current financial year was caused by falling tender prices from contractors keen to win Government contracts at a time of recession in the construction sector.

A total of £610m was expected to have been spent by the Transport Department on these roads by the end of March, 10.9 per cent less than the £685m forecast originally.

"Our previous expectation of prices was miles above the actual tender prices," Mr Clarke said. In spite of the cash underspent in the current financial year, the total spent on trunk roads and motorways would still be over 15 per cent more than in 1980-81.

This is partly because the total spent on construction and maintenance in 1980-81, at £523m in cash outturn prices, was lower than had been planned.

The lower tender prices mean that the planned programme for the next two years (1982-83 and 1983-84) can be carried out with less cash. The Government has taken advantage of this by making a cut of £30m in the cash provision for the next financial year 1982-83, to £693m forecast cash out-turn.

This £30m, or 4 per cent, cut is expected to have no impact on plans for new construction and maintenance work, Mr Clarke said.

In the longer run, the effect of the cut-back on construction companies would depend on inflation and how its effects could be mitigated by "increased productivity" in the construction sector.

* Department of Transport. "Policy for Roads: England 1981." HMSO command 8496. £3.35.

Euro-MPs to challenge for Westminster

TWO left-wing Labour members of the European Parliament are to ignore a ruling by the party's national executive and challenge the renomination of Mr Fred Mulley and Mr Arthur Lewis by their House of Commons constituency parties.

Mr Richard Caborn and Mr Alf Lomas declared here yesterday that they would not withdraw from the selection procedures at Sheffield Park and Newham North West.

After consulting the organisations which had nominated them for selection, they had both decided to flout the national executive.

The executive decided in January that the party's 17 Members of the European Parliament could seek Westminster seats provided they promised a pull-out of the Strasbourg assembly if elected. At the same time, the executive urged the MP's not to oppose sitting Labour members "in the interests of party unity."

Treasury 'has power over Comptroller'

THE TREASURY has the power, unused for years, to order the Comptroller and Auditor General to examine the books and accounts of any organisation in receipt of public funds, Sir Anthony Rawlinson, Second Permanent Secretary at the Treasury, admitted last night.

He agreed with Mr Michael English (Lab Nottingham West) during a hearing of the Treasury and Civil Service select committee inquiry into efficiency and effectiveness in the civil service, that technically the power existed

But he stressed that it was a power that had lain dormant for many years, and that if the Government introduced new legislation to change the role of the Comptroller and Auditor General the Treasury would "happily surrender" it.

The Public Accounts Committee had recommended that the C and AG should have access to the books of all bodies which received money voted by parliament. The Government was sympathetic to the general objectives—except for nationalised industries and public corporation, local authorities and private companies.

Howe urged to 'go easy' on petrol price increase

BY ELINOR GOODMAN, POLITICAL CORRESPONDENT

CONSERVATIVE backbenchers yesterday stepped up their efforts to influence the shape of the Budget. Nine Scottish MPs wrote to the Chancellor, Sir Geoffrey Howe, urging him to go easy on petrol and derv duty increases. They asked for the differential between urban and rural petrol prices to be taken into account when considering any increase in Government duty.

Last year a threatened rebellion by backbenchers from Scotland and other rural areas played a large part in persuading Sir Geoffrey to halve the increase in derv duty he had proposed in the Budget.

Though the signatories of yesterday's letter were at pains not to antagonise him by appearing to hold him to ransom, the clear message of the letter was that he could expect trouble if he tried to put large increases on either derv or petrol.

The approach to Sir Geoffrey was organised by Mr Alex Pollock, one of the organisers of last year's rebellion. In the letter, the back benchers quoted current cut prices in Scotland, showing a differential of 18p a galon between rural and urban areas.

Meanwhile, the party's smaller business committee yesterday saw Mr Nicholas Ridley, the Financial Secretary to the Treasury, to discuss its proposals.

In sharp contrast to other representations from Tory back benchers, the committee opposed the cut in the National Insurance surcharge which the Confederaiton of British Industry wants. It said Sir Geoffrey would be better advised to spend the money on schemes to help small businesses.

Biffen bullish on economy

BY PETER RIDDELL, POLITICAL EDITOR

A CAUTIOUSLY optimistic view of the prospects for the UK economy was argued last night by Mr John Biffen, the Trade Secretary.

Reflecting the more positive tone he has adopted in recent months, Mr Biffen told south-eastern area Conservatives in London that while "this is not the time for facile optimism, equally it is no time for introspective gloom. The last two years has revealed strengths as well as weaknesses in the national economy."

Mr Biffen's speech is noticeably more up-beat than those of Cabinet colleagues such as Mr Francis Pym, the Leader of the Commons, and Mr Nicholas Edwards, the Welsh Secretary.

Looking at the external trade performance, Mr Biffen stressed that Britain had "a record of achievement and diversity that inspires a justified sense of national satisfaction." He also referred to the rise in exports in the last year, the larger share of exports in UK output compared with our main competitors, the broad range of products sold overseas, and evidence of improving productivity, a slowdown in the cost of unit labour costs and the fall in strikes.

"In the light of this evidence let no one castigate the British economy—and the management and workforce it represents—as being unable to discover and exploit new outlets. We do not have to see ourselves through a glass darkly, and the least we can do is to perceive that Britain can trade, fearing none in straightforward competition," he said.

TUC asks Government for more involvement in economic policy

BY JOHN LLOYD, LABOUR EDITOR

THE TUC has told the Government it wishes to be fully involved in determining the direction of economic policy with the aim of reaching "broad agreement . . . on the development of the economy over the period ahead."

An unpublished memorandum by the TUC to the Chancellor of the Exchequer calls for a tripartite forum of Government, employers and unions to assess "such key issues as the use of resources between personal consumption, public and private investment, public services and the balance of trade."

The memorandum was stimulated by the Armstrong Report on "Budgetary Reform in the UK," now under consideration by the Select Committee of the Treasury and the Civil Service. The report, published two years ago, recommended a relaxation in the traditional secrecy which surrounds the Budget exercise.

The TUC document's central feature is a proposal for a "national economic assessment," developed as a major plank in TUC policy in the past year. The tripartite body is seen as a means to obtain top-level agreement on economic growth and expenditure priorities.

The proposal is controversial in union circles because of the possibility that it could be used as a means of bringing in an incomes policy, over which the TUC is sharply divided.

It has been mooted both by the TUC-Labour Party liaison committee and by the TUC's economic review.

Parallel with TUC participation in the national economic assessment would be involvement in the Public Expenditure Survey Committee, which plans and controls public expenditure on an annual basis.

The TUC memorandum urges union involvement in the committee exercise "at a very early stage" to ensure that "decisions taken on resource allocation should involve the people directly concerned and should focus on the allocation of real resources to meet real needs."

It also proposes:

● Setting cash limits to allow for forecast inflation and any shortfall to be made good through supplementary estimates and "roll-over" provisions

● Full and automatic indexation of tax thresholds and social benefits to the index of retail prices.

● Restoring the committee's planning period to one of five years.

The TUC does not expect its central proposals, which amount to an advanced "social contract," to find favour with the present Government.

Liberal warns of SDP centralism

A LEADING Liberal has warned of the dangers in the Social Democratic Party of excessive centralism.

Writing in the Liberal Clarion, produced by the Gladstone Club, Mr Roger Pincham, the former chairman of the party, stressed the need for greater democracy within the SDP and argued that negotiations over the allocation of parliamentary seats should recognise the local strengths and vitality of the Liberal Party.

International money system inquiry

A MAJOR inquiry into the workings of the international monetary system is to be undertaken by the all-party Treasury and Civil Service Committee of the Commons.

The inquiry is likely to discuss the interaction of interest rates and exchange rates, the role of central bank intervention and the European Monetary System. It will start in March after the Budget.

Labour drive set for March

By John Hunt, Parliamentary Correspondent

THE Labour Party intends to launch a national campaign on March 15 to put its alternative economic strategy to the country.

The campaign was described at a Press Gallery lunch yesterday by Mr Ron Hayward, the party's general secretary. He predicted that the next general election would be in October, 1983.

The campaign will include radio and television party political broadcasts, national posters and public meetings throughout the country. It will argue that Labour can bring the country back to full employment with a package of expansionary policies.

Labour's proposals are based on five key points: expansion led by public spending and investment; price controls to check inflation; import controls for planned growth in trade; common ownership and planning for industrial revival; and special employment measures to guarantee an equal right to work.

Stressing the importance of the Bishop's Stortford truce, Mr Hayward said that if all the energy dissipated in Labour caucuses went into campaigning against the Government, the party would be greatly strengthened.

Rolls-Royce expects profit next year, committee told

BY MARK WEBSTER

ROLLS-ROYCE, the state-owned aero engine manufacturer, expects to show a profit in 1983, Mr A. Raeburn, a vice-chairman and managing director for planning and administration, said yesterday.

But Mr Raeburn warned the Commons select committee on industry and trade that Rolls would still need government assistance for research and development on new engines.

He said that until the company was back in profit there was no chance of it being privatised, although informal discussions had taken place between the Government and Rolls.

Mr Raeburn said the company had experienced no problem in borrowing and had managed to stay well within the cash limits set by the Government.

Rolls had tried to improve its productivity to match its competitors. It trimmed its labour force by 6,000 in 1981 and would shed a further 6,000 workers this year as part of moves to streamline its operations.

Mr Raeburn said the company was on course to increase productivity by 30 per cent in 1984, provided sales could be maintained at projected levels.

At present, he estimated that Rolls showed an output per employee 15 to 20 per cent lower than its main U.S. rivals, General Electric and Pratt and Whitney.

Lockheed's decision last year to phase out the Rolls-Royce powered TriStar L1011 was a blow, said Mr Raeburn, but other projects were likely to compensate for the loss.

An increase in world military sales is expected in the coming years which will benefit Rolls. The company's current business already consists of 35 per cent domestic military requirements and 15 per cent overseas military sales.

One important development would be a new aircraft, for which Rolls is seeking finance with British Aerospace and which would replace the Tornado.

The company has also been encouraged by the U.S. decision in principle to order the Hawk trainer aircraft which has Rolls-Royce engines.

But Mr Raeburn said the Ministry of Defence's financial difficulties had created problems for Rolls because of delays in ordering and doubts about the timing of new aircraft developments.

TECHNOLOGY

EDITED BY ALAN CANE

A Total solution to deep sea pipelines

BY ALAN CANE

ELECTRON BEAM technology is proving remarkably versatile. At one end of the spectrum, E-beam machines are being used to cut the masks for the next generation of silicon chips, where the separation between features can be as little as a thousand millionth of a metre.

At the other end, a group of companies under the general direction of the French Total petroleum group have succeeded in developing an automated E-beam welding system that can be used aboard ship for welding deep sea oil pipelines. Total believes it is the first company in the world to master this particularly tricky application of E-beam technology.

The chief advantage of the E-beam welding system—apart from the speed, quality and integrity of the joints it produces—is the new possibilities for deep sea-pipe pipe laying it makes possible.

Deep sea oil pipes are mostly laid using what is known as the S-method. The pipes, which may be 60 centimetres in diameter with a wall thickness of three centimetres, are arc-welded on board ship and then paid out over the stern in a supporting cradle. The suspended pipe forms roughly an S shape, and this puts unnecessary strain on the arc welded joints.

According to M Bruno de Sivry, deep sea pipeline manager in the advanced technology department of Total CFP the S-method is limited to 400 to 600 metres of water.

The J-laying method is designed to eliminate stresses on the pipe string as much as possible. Sections of pipe up to 24 metres long are welded together vertically in a shipbourne rig. The electron beam welding chamber sits at the bottom of the rig close to the deck of the ship and the joined pipe passes vertically down through the bottom of the pipe laying boat or barge and so to the sea bed.

The configuration taken up by the joined pipe is thus a "J" shape (see diagram).

M de Sivry claims: "In the J-laying method, the nearly vertical lowering of the pipes does not require a supporting rig. The horizontal stresses in the pipe are less than 40 tonnes. And the pipe laying equipment is not so sensitive to the condition of the sea.

At least that is Total's claim although the machine has not yet been nistalled on a ship. But they have the next best thing. *Ateliers et Chantiers de Bretagne* (ACB) a former shipyard have built and installed a full size welding rig in their factory in Nantes.

The massive structure rests on hydraulic rams which simulate the motion of the sea while welding is in operation.

The joints produced in the machine are clean, neat and well within the tolerances demanded by international standards bodies.

According to M de Sivry, the chief problems the design team had to overcome were:

- Maintaining vacuum.
- Positioning the electron guns
- Pipe alignment
- Welding metallurgy

Creating and maintaining the vacuum which is essential for any E-beam operation, proved the stiffest hurdle. The requirements were for a vacuum of at least 10^{-2} Torr between the welding chamber and the pipe—quite a feat in such a massive operation.

The Total team settled for elastomeric seals between the pipe and the chamber. M de Sivry said: "We used a composite material—it took more than a year to develop a system that would work, and a further two years to improve it."

The system works with the two sections of pipe held vertically.

In this position, gravity works in favour of the weld. No extra welding materials are needed—the E-beam melts the solid metal to form the joint.

It follows that if joints are welded in a horizontal position, the molten metal will flow under gravity, forming an unacceptably asymmetric joint. Nevertheless, M de Sivry, while remaining close lipped about the technology, says that Total will have working a horizontal E-beam welding machine within 12 months.

Research on the full scale machine at ACB indicates that joints can be made up to 30 times faster than by conventional techniques.

The team claims: "We have successfully welded 30mm thick pipes in 25 and 100 steel in less than three minutes. Conventional welding would take at least one and a half hours."

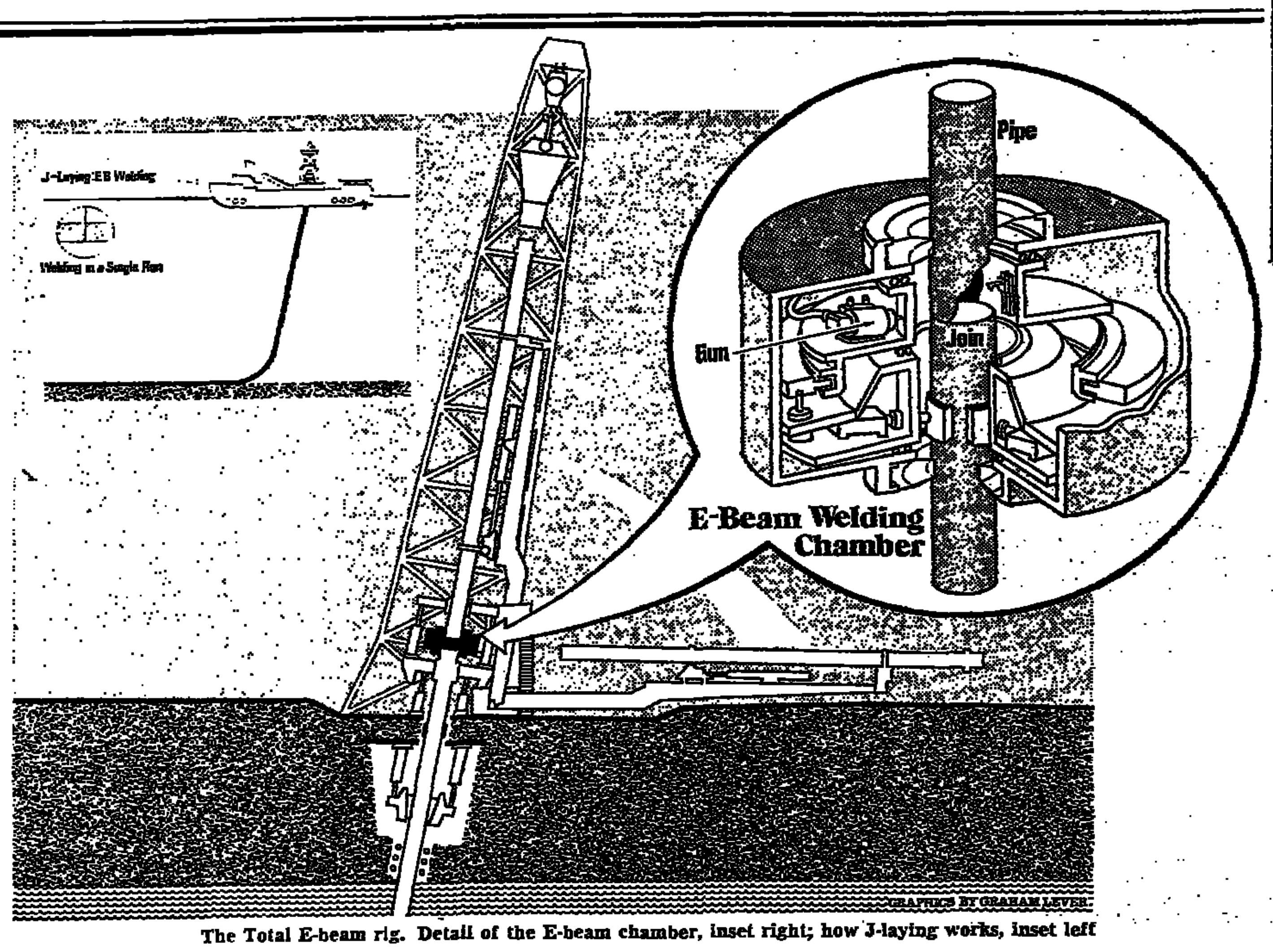
How does Total expect to use its new combination of E-beam welding and J-laying technology? It has, after all, cost some US$5m since it started in 1978 and it has made some 2,700 test welds in 14 different steels to test its confidence in its product.

M de Sivry says Total itself plans to use the technology in the French oil bearing areas of the Mediterranean in depts of 2,000 metres and more.

It will license the technology and it will also undertake full project management for other companies. Licensing will involve a flat fee together with a royalty on each weld.

The J-laying technique is one of the most recent of a clutch of new methods which include reel spooling, bottom tow out and co-flexible piping. All have their advantages and drawbacks. Total is already working on a robot maintenance device for repairs to J-laid pipe.

Soudure Autogene Francais designed the E-beam gun. ACB built the system. Pronal developed the elastomeric seals and Simage provided reliability trials. The projects were funded in part by the EEC.



The Total E-beam rig. Detail of the E-beam chamber, inset right; how J-laying works, inset left

Power chuck

DESIGNED to improve productivity when working with awkward castings or forgings, a two-bar power chuck designed for machines already equipped with rear-mounted pneumatic power cylinders, has been introduced by Richard Leader of Chertsey, Surrey.

Full details from Chertsey 63722.

Toughening glass without sagging

BY GEOFFREY CHARLISH

A COMPUTER controlled horizontal glass toughtening furnace, the first of its kind in the UK, is now in action at the Bracknell works of glass processors, James Clark and Eaton.

It has been developed by T. N. Butler (Weybridge) with funding from British Technology Group (formerly NRDC) totalling £182,000.

At one time nearly all glass toughening—in which the sheet is raised to more than 600 deg C and then rapidly quenched with air jets—was carried out with the sheet hung from its top edge in a vertical furnace/quencher.

This batch process, which can stretch sheets and mark their top edges, has been followed by horizontal roller-hearth furnaces. These, however, can be up to 200 feet long because the sheet has to be moved quite quickly to prevent sagging and thicker sheets take time to come up to temperature. Such installations, with their buildings, can cost several millions of pounds.

T. N. Butler has developed a horizontal system in which the sheets are moved back and forth on the hearth rollers in a relatively small heated zone. Both capital and energy costs are sharply reduced.

In addition, because the furnace has low thermal capacity and rapid warm up (thin, low mass insulation is used), it can be switched off overnight and when not needed.

Depending on the size of the furnace there can be up to a dozen different heating zones in the hearth, each of which has to be independently controlled, together with the parameters of the oscillatory motion.

These, together with time variables, the mass of the glass on the machine and certain other variables are monitored and controlled by a minicomputer. The temperatures required and the actual temperatures in each zone as the furnace warms up are displayed together in colour on a screen.

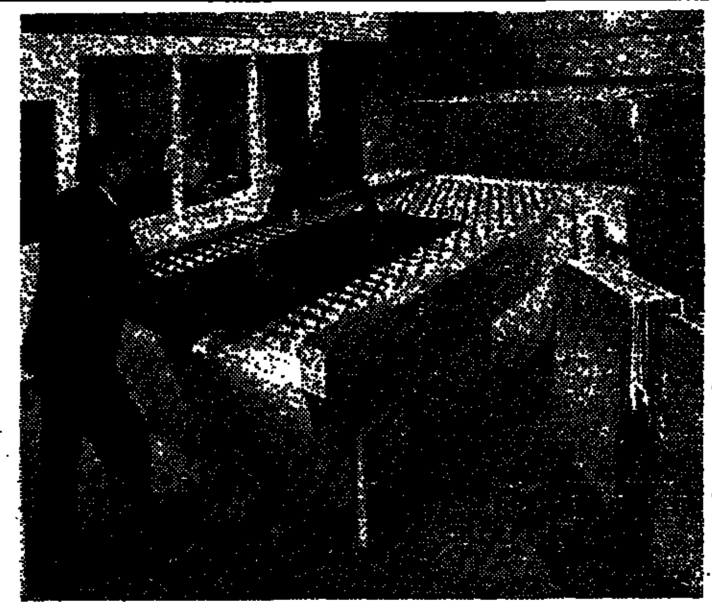
When the furnace is at the set temperature, the load of glass is moved forward automatically from the feed table into the furnace. When all the glass is at the pre-set temperature, it is moved out into the chiller section.

The Butler machine is available in working widths of 4, 5, 6, 7, and 8 feet, and electrical consumption can be in excess of 400 kW—so that there is an obvious advantage in not having to run the machine continuously.

Computer control together with the quick response characterics of the furnace are expected to produce throughputs between 50 and 100 per cent greater than the vertical types and significantly greater than the continuous horizontal designs, particularly among trade tougheners where flexibility is the first requirement.

At Clark-Eaton the existing vertical furnace will go on being used for glass over 10 mm thickness where stretching distortion is minimal, while the horizontal unit will be used for the thinner sheets—a market which is set to expand as the demand rises for such glass, toughened, in domestic applications.

An important factor for the home market will be the effects of amendments to Code of Practice CP 152 which recommend wider use of safety glass in domestic applications.



The new Clark Eaton horizontal toughening plant in Bracknell. Glass is being loaded on to the feed-in conveyor. Behind, the computer-controlled operating room.

Theodolite set in one unit

SURVEYORS may be interested in the introduction of the GTS-2, a successor to the GTS-10D, an EDM unit and theodolite consolidated into a single compact unit.

The latest model, according to Hall and Watts, designated the Topcon Total Station, is able to provide highly accurate measurements automatically in the tracking mode and, under ideal conditions, distances up to 1,400 metres (1 prism) and 2,000 metres (3 prisms) are possible. More from 0924 361110.

Motor car plates

REMPSTONE ENGINEERING of Leicestershire have developed a simple system for producing the new plates.

It can produce an aluminium plate embossing the character and figures in one operation. A locating jig accommodates various sizes and the character dies ensure accurate spacing and alignment.

Rempstone is on 0509 31831.

Tester

TECHTEST HAVE introduced what it claims is the first truly portable signal generator operating over the VHF and UHF ranges.

The Techtest Model 251 was designed specifically for field service of mobile communications systems.

Notice of Redemption

Beatrice Foods Overseas Finance N.V.

9% Guaranteed Debentures Due 1985

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of February 15, 1970, under which the above-designated Debentures are issued, $1,000,000 aggregate principal amount of such Debentures of the following distinctive numbers has been drawn for redemption on March 15, 1982 therein sometimes referred to as the redemption date):

$1,000 Coupon Debentures Bearing the Prefix Letter M

20	3140	4378	5322	5989	6763	7449	8092	8683	9281	9878	10544	11237	12184	12787	13611	14249
28	3141	4396	5364	6011	6770	7454	8094	8684	9300	9886	10547	11240	12188	12779	13632	14263
65	3159	4475	5381	6012	6780	7461	8101	8685	9325	9900	10548	11249	12190	12805	13635	14270
71	3160	4480	5382	6017	6782	7464	8125	8698	9339	9937	10626	11268	12191	12820	13660	14286
74	3202	4519	5384	6018	6783	7465	8136	8700	9331	9940	10646	11284	12201	12823	13667	14295
86	3204	4524	5395	6028	6800	7473	8137	8705	9344	9942	10647	11297	12202	12845	13678	14316
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3128	4364	5275	5950	6702	7437	8079	8670	9286	9864	10543	11220	12177	12762	13609	14244	

The Debentures specified above are to be redeemed for the Sinking Fund (a) at the Brokers Services Department—5th floor of Citibank, N.A., Trustee under the Indenture referred to above, No. 111 Wall Street, in the Borough of Manhattan, the City of New York, or (b) subject to any laws or regulations applicable thereto, at the main offices of Citibank, N.A. in Amsterdam, Frankfurt, Milan, London (Citibank House), Milan, Paris and Brussels, and Banque Internationale a Luxembourg in Luxembourg. Payments at the offices referred to in (b) above will be made by a United States dollar check drawn on a bank in New York City or by a transfer to a United States dollar account maintained by the payee with a bank in New York on March 15, 1982, the date on which they shall become due and payable, at the redemption price of 100 percent of the principal amount thereof, together with accrued interest to the date fixed for redemption. On and after the redemption date, interest on the said Debentures will cease to accrue, and, upon presentation and surrender of such Debentures with all coupons appertaining thereto maturing after the date fixed for redemption, payment will be made at the said redemption price out of funds to be deposited with the Trustee. After the redemption date there will remain outstanding [illegible] principal amount of Debentures.

Coupons due March 15, 1982 should be detached and presented for payment in the usual manner.

Beatrice Foods Overseas Finance N.V.

By: CITIBANK, N.A., as Trustee

February 11, 1982

JOBS COLUMN

At last: the headhunter's awful confession

BY MICHAEL DIXON

"SAVOUR this moment!" the Jobs Column told itself wearily a few hours ago. "You've been pretending it wasn't going to happen for nine years, five weeks and five days."

Over that time many headhunters have been encountered, and have chatted about the economically and socially crucial task of filling important jobs with the most appropriately capable people available.

Occasionally it has been revealed that the process is not altogether as objective as it might be. Witness the cases reported on December 17 of employers' demanding somewhat peripheral accomplishments, such as elegant eating habits, on top of demonstrable ability to succeed in the work on offer. It would be unreasonable to expect headhunters, who have to make a living, to refuse to take regard of such relatively harmless quirks.

But they have always assured me that they never compromise on one particular thing. It is that the initial candidates who go forward to the short-list are those who in qualifications and experience are best fitted to do the job.

A touch of polish may smooth the recruit's entry, but there is no substitute for sheer ability. And if employers do not appreciate that, it is the headhunter's duty to urge it upon them even unto the point of losing the assignment. Yes sir.

So there I was at the lunch-table discussing with the man on my left his theory that if you ask any given number of actuaries the same question, you will end up not only with different answers but with more different answers than there are actuaries. Before he could explain why, however, we were both distracted by hearing one of the two headhunters also at the table say to the other:

"How do your clients react to real high-fliers?"

"Well," came the answer, "whenever I tell them that I've found a truly outstanding candidate, they say: 'Good, how soon can I fix an interview?' They all seem keen as mustard in my experience.

"But you soon learn to spot right at the outset the client who, after the interview, is going to get on the telephone and say the track record's fine but the chemistry won't mix or something. And you sit there listening, knowing the guy's in a cold sweat at the mere thought of having someone as good as that candidate to compete with him.

"If a client's like that, it's a waste of everyone's time to send anybody round who's better than second rate. So you just have to look for some other dummies, don't you?"

The second headhunter smiled. "There are clowns on everybody's client list, I suppose," he said.

"Ah well," the Jobs Column thought, "the way of the world strikes again." Having never before heard a headhunter admit such a thing, I had preferred to give the trade the benefit of the doubt. But no longer. Thus is mediocrity perpetuated.

I would still rather have a free market in recruitment with employers engaging private-enterprise headhunters as and when they wish, of course. The costs of subjecting the process to control by pettifogging bureaucratic prodnosery would surely be worse.

But I feel that there must be some fairly simple, tolerable way of deterring the self-perpetuation of at best the second rate, at least in the most responsible positions.

The best possibility that comes to mind at the moment is to make as many organisations as possible openly accountable for their choice of recruits for jobs with responsibility for more than some minimum proportion of their assets. How about a duty on companies which have made such appointments, whether from within or externally, to state in their annual report the career record of the person chosen and why he or she was preferred to the other contenders?

After all, there can be few things more important to shareholders than having the jobs which most affect their investment done by the people best equipped to do them.

Readers' views on the matter would, as always, be welcome. While I'd want to be able to discuss any ideas that came in, I would not name the sender—unless he or she expressly asked me to do so.

Sales chief

RECRUITER Richard Robinson, of the Otteridge consultancy, wants someone to work from London as successor to the sales director, due to retire this year, of what he may describe only as "a substantial service organisation." So, as is this column's rule when a headhunter may not name the employer, he guarantees that applicants who so request will not be identified to the client without further permission.

Whatever the service is, it is retained by bankers, government organisations, retailers, shippers and so on throughout Britain and the Continent. Although labour-intensive, it depends much on advanced technology. And it has never before gone outside for a recruit at so senior a level.

Leading and controlling a tightly organised United Kingdom sales network is one main task. Management of key accounts is another. Sales-forecasting and -budgeting, and supervision of promotional material are others. But there is also responsibility for reviewing the company's services, associated products and markets for promising opportunities of growth either by new acquisitions or otherwise.

Sales success at senior rank, at least five years of it in service industry, is essential. Previous experience in fast-moving consumer goods could help. Starting salary indicator is £20,000.

Inquiries to Mr Robinson at 199 Knightsbridge, London SW7; telephone 01-589 1444.

Gap-filler

CAN you imagine being next in line for the financial directorship of a £10m-turnover, profitable company, and not only leaping into matrimony but also wanting to spend the next couple of years in Australia? Moreover, can you imagine the company letting you do so and promising to keep the top finance job open until you return?

Consultant John Courtis can, because he has been asked to find someone to go into the company and do the job in the bridegroom's absence. The base is London, the business is paper-products, and as well as four UK factories there are three associate companies abroad. Exports account for 15 per cent of sales.

The short-term finance chief will have the task of ensuring better use of profit centres as well as managing two assistants and 18 support staff in the running and improvement of the whole financial function. This includes treasury work, data-processing, and a expanding need for management information.

In addition, the incoming financial controller could take on a managerial role in one of the company's major product divisions.

But what, I can almost hear you ask, happens when the wandering boy returns?

The answer is one of three things. The newcomer either stays with the company's financial function although, presumably, as number two; or transfers into general management; or settles for redundancy on what Mr Courtis says will be generous terms.

Candidates need to be qualified accountants or have a post-graduate degree in management, and to have been financial controller of a business operation. Experience of costing, treasury operations and computers would help.

Salary indicator around £15,000, with car among perks.

Inquiries to John Courtis and Partners, 78 Wigmore Street, London W1H 9DQ; tel. 01-486 6849 or 935 9011.

YOUNG ACCOUNTANTS FOR INTERNATIONAL BANKING

c£11,000 + Major Benefits

Morgan Guaranty Trust Company of New York is one of the world's leading international corporate banks. The UK operation includes a substantial branch, a merchant bank and other financial operations, and employs in excess of 1000 people.

As part of a management development programme, the bank now wishes to recruit a number of young accountants for positions in systems audit and consultancy. These positions will provide full exposure to all aspects of international banking, as well as giving both responsibility and the opportunity to display creative skills. After a 2-3 year term the accountants would be expected to progress in financial or operations management or further in systems consultancy.

Assignments are available either to work wholly in the UK or on projects involving substantial overseas travel.

Applicants (male or female) should be recently qualified accountants from the profession or industry. Although experience in banking, systems development, or computer audit would be an advantage, it is not regarded as essential.

The bank offers an attractive benefit package which includes **low interest mortgage facilities and profit sharing.**

To find out more about these opportunities, please telephone or write to **David Hogg FCA at EMA Management Personnel Ltd, Halton House, 20-23 Holborn, London EC1N 2JD, 01242 7773** quoting reference I/2117.

The Morgan Bank

TREASURY MANAGER

Camberley c.£12,500

CALMA, who are well established and growing very fast in the fields of computer aided design and manufacturing systems, are an American based group with operating units in the UK and Europe. They form part of the US multi-national public group, and they now wish to strengthen their finance team by recruiting a treasury manager who would report to the finance director.

The prime responsibilities would cover the collection of outstanding receivables from European customers of both the US parent and its operating units in Europe, including those resulting from service and maintenance contracts, plus the continuous production, review and updating of cash forecasts and some financial analysis of balance sheet items.

Candidates, preferably aged 28+, and qualified ACA/ACCA, should have the maturity, personality and experience required to handle these tasks firmly and diplomatically. Though Camberley based, the post will involve some European travel. The salary is negotiable around £12,500 p.a. plus participation in a performance related bonus scheme, company pension scheme and BUPA.

Applicants, male or female, should write in confidence with full details of previous experience and current salary, quoting reference S1753 to J.W. Hills at:

Annan Impey Morrish,
Management Consultants,
40/43 Chancery Lane,
London WC2A 1JJ.

A.I.M.

U.K. Lending

Our client, a recognised Bank based in the City, wishes to expand and strengthen the team involved in marketing its U.K. commercial banking services by the following appointments:

ACCOUNT OFFICER

c. £17,000 + Car

At least 5 years experience of marketing commercial banking services in the U.K. The successful candidate will be self-motivated and willing to fit into a small energetic team.

CREDIT ANALYST

c. £12,000

Wide experience of analysing the Balance Sheets of a wide spectrum of U.K. Companies and Banks, preferably gained with a U.S. Bank.

In addition to an attractive salary, our client offers mortgage subsidy, private medical cover, pension and life assurance, season ticket loan scheme, Personal Loan scheme and free staff restaurant.

Please write with details of your career to date to J.D. Vine (Ref FT/207), Vine Potterton Limited, Wakefield House, 152/3, Fleet Street, London, EC4A 2DH. Please indicate the names of any banks in which you would not be interested.

Vine-Potterton
RECRUITMENT SERVICES

Young Accountants

£9,500-£11,500 Knightsbridge

As a result of internal movements within our corporate head office, we have the following vacancies:

Taxation Accountant

You would be responsible for the preparation and submission to the Inspector of Taxes of tax computations relating to a portfolio of UK group companies, including double tax relief in respect of overseas income. This involves critically examining sets of accounts and liaising with operating units, including occasional visits. You would also undertake special exercises in tax planning from time to time.

Candidates should be qualified accountants, preferably with experience of corporate taxation. Your future could lie within the tax specialisation or elsewhere within the corporate accounting function.

Assistant Financial Accountant

We require an energetic, qualified accountant to join our Central Accounting team, which produces the accounts of the Parent Company and other diverse trading companies managed from Head Office. Whilst a thorough knowledge of financial and management accounting is obviously essential, you must be able to demonstrate a practical, commercial outlook; exposure to the problems of accounting for foreign currencies would be an advantage.

Thus you should be an ACA/ACCA, preferably having gained some post-qualification experience in a line finance appointment. You would directly supervise two staff but would work closely with the other members of this small, integrated team.

We would be interested to hear from you if you match our requirements: we offer a comprehensive salary and benefits package plus career development prospects. Write in confidence explaining why you are interested in a particular appointment or telephone for further details and an application form to: Miss Janet Scrine, Personnel Manager, Bowater Corporation Ltd., Bowater House, 68 Knightsbridge, London SW1X 7LR. Tel: 01-584 7070.

THE BOWATER CORPORATION LIMITED

Finance Director

c.£15,000 North East

Our client is a substantial trading Company, forming part of a major U.K. group. They are seeking a capable and ambitious Finance Director to join their Head Office team in the North East. The position carries responsibility for all financial and management accounting functions, and for further development of existing computer systems into a multiple depot structure. The appointee is expected to make a strong and effective contribution to the commercial management of the business at top level. Opportunities for personal and technical development are excellent.

Candidates should be qualified accountants, under 40, with at least five years appropriate experience in an industrial or commercial environment. Personal qualities of maturity and sound judgement will be regarded as important as technical experience in the selection process.

Remuneration will be negotiable around £15,000 per annum, plus car, and results based bonus scheme.

This appointment is open to both male and female candidates who should send adequate particulars initially, in confidence, to S. W. J. Simpson,

Spicer and Pegler Management Consultants,
St. Mary Axe House, 56-60 St. Mary Axe,
London EC3A 8BJ.

New Financial Function

Major US Corporation

Central London c. £14,000 + car

A major US consumer goods corporation, with world revenues in excess of $2bn, is establishing a financial function in London to support established marketing activities throughout Europe.

Two senior positions have been identified, to take key roles in setting-up and operating the department. Sophisticated computer systems will be utilised, allowing a lean headcount with high visibility.

Financial Analyst

The task is to forecast and monitor performance of operations, investigating and interpreting variances, to provide significant input to executive decision-making. Beyond this, there will be considerable involvement with strategic planning and ad hoc projects.

Accounting Manager

The task is to drive the accounting schedule, monitoring the high standards and deadlines set by corporate headquarters. In addition to supervising the accounting staff, there will be opportunities for involvement with systems development and project work.

Candidates for either position should be under 30, and qualified accountants or MBA's of high calibre with relevant experience gained in a marketing-led international environment. A second European language, especially French or German, is desirable. Both positions demand personal qualities of ambition and energy, coupled with high professional standards.

Please reply in confidence giving concise career and personal details and quoting Ref ER526A for the Financial Analyst position or Ref ER526B for the Accounting Manager. Write to I.D. Tomisson, Executive Selection.

AMS
Arthur Young Management Services
Rolls House, 7 Rolls Buildings
Fetter Lane, London EC4A 1NH

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International Banking

One of the world's largest banks, based in Continental Europe, is seeking a practical banker to join the London-based commercial division of its UK operation with a view to assuming responsibility for and enlarging a portfolio of important clients.

The successful candidate is likely to be aged between 30 and 35 years, professionally qualified, and able to offer 6-8 years' experience of commercial lending, preferably gained in an international banking environment. A sound background of financial analysis and appraisal is essential and a knowledge of French would be an asset.

Please write in the first instance to:

Mr. David Harden,
Ref. IB, Streets, Advertising Limited,
Hulton House, 161/166 Fleet Street,
London EC4A 2DN

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41/42 London Wall, London EC2. Telephone: 01-588 0781

EXCEPTIONAL CONSULTANCY OPPORTUNITY

Manchester c.£17,000

Our client, a major international management consultancy, is seeking a commercially-minded management accountant to develop its services to organisations in the North West.

The position offers excellent career and earnings potential in addition to exposure to a wide range of business problems and their solution.

To meet the demands of this position you should:

- be in your early thirties
- hold a university degree and a professional qualification
- possess strong communication abilities
- understand computer based information systems in a manufacturing environment

Applicants should write to **Richard Robinson,** Michael Page Partnership, Faulkner House, Faulkner Street, Manchester M1 4DY, quoting **Ref: 991/FT.** Replies will be forwarded **unopened** to our clients. Please list on the envelope any organisations to whom your application should not be passed.

MP
Michael Page Partnership
Recruitment Consultants
London Birmingham Manchester

Financial Futures

L. MESSEL & CO.

As a large firm of U.K. Stockbrokers, we plan to play an active role in the development of the London International Financial Futures Exchange. We require an ambitious salesperson to assist a partner in our team. Candidates should have proven ability in commodity/futures markets and be fully conversant with technical analysis. Remuneration will be directly related to experience and will reflect the importance of this position.

For further details please ring:
John Mullett or Neville Wood
01-606 4411

CORPORATE FINANCE £ Attractive
Several of our Accepting House clients are seeking additional executives for their corporate finance departments. Applicants should be graduate chartered accountants or solicitors, aged between 25 and 32. Post-qualifying experience of investigations or corporate tax would be an advantage. Attractive remuneration packages will include the usual banking benefits.

Please telephone Peter Latham

EUROBOND DEALER c. £15,000
Good general experience in Eurobond dealing, particularly in straights, is required from applicants for this position. Age immaterial.

EUROBOND SALES to £15,000
Prominent merchant bank requires well-educated, articulate person with two or three years' experience in the Eurobond area.

Please telephone John Webster

OPERATIONS to £9,000
Experience in an overseas bank in London, preferably including computer experience in IBM 34 and Hoskins Rapity system required in applicant aged 25-30 for position in international bank.

SENIOR LOAN ADMIN. to £8,000
Some experience of credit analysis as well as loan admin. is necessary in applicants for senior post with long-established international bank. Age 24+.

DOCUMENTARY CREDITS c. £7,000
Major international bank has vacancy for person aged 23+ who has three or more years of opening, amending and checking L/C.

Please telephone Brenda Shepherd

Jonathan Wren BANK RECRUITMENT CONSULTANTS
170 Bishopsgate · London EC2M 4LX · 01 623 1266

ISLE OF MAN PROPERTY INVESTMENT FUND REQUIRES A

MANAGER

FOR ITS NEW DOUGLAS OFFICE

Our client is seeking a mature person with experience in banking or accounting and dealing directly with clients. The position carries responsibility for the financial records and administration of the deposit taking function. Salary by negotiation.

Application with C.V. to:
MESSRS. BENNETT REY & CO., Chartered Accountants, Viking House, Nelson Street, Douglas, Isle of Man.

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RESTLESS?
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We offer a fully professional service which will help you decide upon the best way forward and then introduce you to the right contacts in:

FINANCE, INDUSTRY, BUSINESS AND PARTNERSHIPS

For further information contact Maureen Rutter

Contact
87, Jermyn Street,
London SW1Y 6JD
Tel: 01-839 3935

NOTICE TO ALL DEALERS

We are currently holding numerous vacancies to include Eurocurrency Deposit, Senior FX Dealer, FX Deposit and a good all-rounder in Spot and Forward Trading. The salaries attached to these vacancies are TOTALLY NEGOTIABLE. So regardless of your current salary, if you are looking for improvement, why not give me a call for more details of these and other current vacancies phone Michael Katz on 01-629 7838
1 Albemarle Street, W1. BARNETT BANKING
(a division of Barnett Personnel)

COMPANY SECRETARY

Datastream, a London based public company with 230 employees and £8 million turnover, provides computer-based information services to the securities industry and to corporate, financial and economic analysts in finance, commerce and industry. The company operates internationally and is committed to growth through both market and technological development.

We are now seeking an experienced Company Secretary (chartered secretary or legal qualification) to provide a comprehensive Secretarial service reporting directly to the Managing Director. The successful applicant is likely to be aged 27-35, to have worked in the computer or the securities industry, to be experienced in dealing with people at all levels and to be actively seeking to take initiative and responsibility.

The company offers an attractive salary and benefits package.

Please apply with brief details to A. L. Helman, Managing Director, Datastream International Limited, Monmouth House, 58-64 City Road, London EC1Y 2AL.

DATASTREAM

POTTER PARTNERS

INSTITUTIONAL DEALER AUSTRALIA

Potter Partners, one of Australia's leading stock-broking firms, has a vacancy in its London office for a Dealer/Advisor to service its institutional clients in Europe and the UK. A comprehensive knowledge of Australian securities and procedures is essential. Preferred age 25-35.

Applications in confidence to:
D. T. Clarke
POTTER PARTNERS
16 St. Helens Place,
London EC3A 6DB
Tel: 628 5996

Finance Director

£20,000-£25,000 + car
Nr Preston

A medium sized, long established and financially sound manufacturing company is looking for a qualified accountant to join its executive board as Finance Director.

The successful candidate, aged 35-40, will have had several years' experience in well run industrial companies as Financial Controller or equivalent.

Adaptability, initiative and commercial acumen are required together with a strong but agreeable personality.

Please write in confidence, quoting reference 3484/L, to N. P. Halsey, 165 Queen Victoria Street, Blackfriars, London EC4V 3PD.

Peat, Marwick, Mitchell & Co.
Executive Selection Division

BUSINESS ANALYSTS

Opportunities in corporate planning and business appraisal.

The Investment Planning Department of the British National Oil Corporation provides a comprehensive service in investment appraisal and strategic planning to the major divisions of the Corporation. It also co-ordinates the preparation of BNOC's long term plan and monitors the external business environment.

As much of the work conducted by Investment Planning involves assignments with other departments, our Business Analysts usually operate on a project basis, organising support staff as required.

To complement the skills already represented in the Glasgow based department we now seek additional analysts who can demonstrate:

—a strong inter-disciplinary background; a first degree in a technical subject strengthened after a number of years' experience by training to MBA or equivalent level in business studies.

—a successful record in applying these skills in a demanding industrial or commercial environment.

Such experience should have confirmed a sound analytical approach to problem solving and equally important, an awareness of the strategic significance of business opportunities.

In return, these positions offer excellent career prospects, together with an attractive salary/benefits package including, where appropriate, generous assistance with relocation.

For an application form please write, quoting reference BA/KWM/FT, to: K.W. Mearchent, Divisional Personnel Officer, The British National Oil Corporation, 150 St Vincent Street, GLASGOW, G2 5LJ.

BNOC The British National Oil Corporation

TAX SOLICITOR

London Based

Amoco Europe Incorporated is responsible for co-ordinating the activities of the European subsidiaries of Standard Oil Company (Indiana), one of the world's largest oil companies. A new position has been created in the Tax Department for a Solicitor specialising in U.K. tax matters.

The position offers substantial opportunity and scope within the framework of the oil industry. We invite applications from solicitors with at least three years' U.K. tax experience. Oil industry and European tax experience are desirable but not essential. The work is varied and interesting, and is likely to involve some foreign travel.

An excellent salary commensurate with experience will be offered to the successful applicant.

Applications, enclosing a curriculum vitae which will be treated with the strictest confidence, should be submitted to B. S. McLintock, Employee Relations Department, Amoco Europe Incorporated, 1 Stephen Street, Tottenham Court Road, London W1P 2AU.

AMOCO

MARKETING EXECUTIVE (part-time or advisory) sought to join team to sell an electronic product for the office. Mass market (between ZX81 and Apple) predicted. Experience, preferably international, essential. Tel. 0272-730308.

International Audit

A large multinational with diversified interests in metal processing, trading and general manufacturing activities requires an Auditor of unusual calibre for its recently established audit team.

Primary duties will include financial and qualitative reviews, undertaken individually yet as part of a team, which will involve liaison at all levels of management. Although city based, around 60% overseas travel is envisaged.

Applicants, ideally graduates, will be Chartered Accountants in the age range 24 – 30, with a high level of technical competence and experience, and with strong, flexible but diplomatic personalities, who would wish after two years to move into line financial management.

The employment package will include a competitive salary, non-contributory pension, and BUPA facilities, as well as a Company car. Details of education, experience and present salary should be sent to: The Group Personnel Manager, Amalgamated Metal Corporation Limited, Adelaide House, London Bridge, London EC4R 9DT.

AMC Amalgamated Metal Corporation

Young Accountants

M3/M25
£13,000/£15,000+car

Are you under thirty, with above average experience, either in financial analysis/management accounting or in systems advice/development, in a demanding environment (employer or client)? An auditor who wants to switch is fine for the latter.

If so, we have two key jobs on the Controller's staff of a successful high-technology company (T/O £30m) which is dragging its control and reporting and EDP functions up to date as it becomes a separate profit centre. Prospects, job content, product and peer group are all excellent.

For full job description write in confidence to John Courtis, at John Courtis & Partners, 78 Wigmore Street, London W1H 9DQ, showing clearly how you meet our client's requirements, quoting FT/7094. Both men and women may apply.

John Courtis and Partners

Young Business Analyst

Central London *£15,000*

An excellent development opportunity for a young qualified accountant and/or economics or business graduate to join the small European headquarters of a US multinational manufacturing and marketing industrial and consumer products. Sales exceed $120m.

Reporting to the London-based European controller and working closely with him, the Business Analyst will assist in corporate planning; provide support to the plant controllers and compile financial information to tight monthly reporting schedules for the VP Europe and the US parent.

Candidates, 27 to 33, must have had a minimum of three years' similar experience in a multinational company, preferably American. The ability to devise and use computerised forecasting systems is an essential requirement. Salary negotiable with appropriate benefits.

Please write – in confidence – stating how the requirements are met. Lionel Koppen ref. B.42109.

This appointment is open to men and women.

MSL United Kingdom Australasia Benelux Canada France Germany Ireland Italy Scandinavia South Africa Switzerland U.S.A.

Management Selection Limited
International Management Consultants
52 Grosvenor Gardens London SW1W 0AW

Finance Manager

c. £12,000 London EC3

Our Client is a group of companies who are pursuing a rapid programme of expansion and whose interests in travel, haulage and ferry services represent the British based activities of a major international industrial shipping group. The Headquarters are located in brand new offices in the City of London.

The candidate to be appointed will work closely with the Financial Director and carry responsibility for a large part of the financial accounting operations. The development of a full computerised accounting and management information system is a major priority.

Applicants (male or female) must be Chartered Accountants aged up to 30, who are prepared to travel to various locations at frequent intervals. They must be adaptable and capable of operating effectively across a wide range of tasks.

Career prospects are outstanding and a comprehensive package of fringe benefits are offered including substantial travel concessions.

Please apply in writing quoting Ref: 8157, to Peter Cox A.C.I.S., Barnett Keel Personnel Consultancy Services Limited, Providence House, River Street, Windsor, Berkshire, SL4 1QT. Tel: Windsor 56723. Telex 849323.

Barnett Keel
MANAGEMENT SEARCH

International Fund Management

Continental Bank's London based investment team specialises in international bond and equity management for institutional clients on a worldwide basis. Continuing growth in funds under management results in our seeking an experienced multi-currency equity manager. This individual will work within an existing framework assisting in credit research, formulating investment policy, managing portfolios, and periodically marketing the unit's services within Europe and the U.S.A.

A minimum of three years' exposure to relevant markets, a degree level of education and portfolio management skills are prerequisites.

An attractive salary is offered, together with an excellent benefits package, which includes a low interest mortgage facility and non-contributory pension scheme.

Please reply in confidence to Mr. S. Bourne, Personnel Manager, Continental Illinois Corporation, Continental Bank House, 162 Queen Victoria Street, London EC4V 4BS.

This appointment is open to men and women.

CONTINENTAL ILLINOIS INTERNATIONAL INVESTMENT CORPORATION
A SUBSIDIARY OF CONTINENTAL ILLINOIS CORPORATION U.S.A.

Chief Accountant

HIGSON PING

c £18,000 plus car, etc. Surrey

Our client, a major well-known UK company, has a number of manufacturing sites in this country.

A senior accountant is sought at Head Office to help co-ordinate and control the financial results of a decentralised group whose sales, exceeding £1bn, have more than doubled in the last five years.

Rewards will reflect the senior status of the post and will attract ambitious accountants, male or female, probably aged 35 to 40. Experience of working for a large manufacturing company is essential.

Please write to M. J. B. Ping, quoting reference P1490, or ring Higson Ping Limited and ask for a personal history form.

Higson Ping Ltd./Executive Recruitment Consultants.
110 Jermyn Street, London SW1Y 6HB.
Telephone: 01-930 4196 (24 hour answering service).

Senior E.D.P. Auditor

Salary from £12,000+car N.W. London

B.A.T Stores is the UK retail operating group of B.A.T Industries and consists of Argos Distributors the expanding catalogue showroom business, International Stores the supermarket chain and Mainstop the growing superstore company. The group has a total turnover of around £1bn and employs over 20,000 people.

To reflect the growing importance of Computer Systems within the group's operations, there is now a vacancy for a Senior E.D.P. Auditor at the group's head office in Edgware. Reporting to the Chief Internal Auditor, the position will be primarily responsible for:

– Advising senior management on the audit aspects of new computer systems.
– Undertaking systems audits throughout the group.
– Developing audit retrieval packages.
– Assisting in the E.D.P. Audit training of internal auditors.

Candidates, male or female, are likely to be qualified accountants in their late 20's or early 30's with specialist experience of E.D.P. Audit work, gained either in a professional capacity or in a commercial organisation. Experience of systems design and computer programming would be an asset.

Salary will be negotiable from £12,000 p.a. and a company car will be provided. Other benefits include free BUPA, contributory pension and life assurance schemes and assistance with relocation where appropriate.

Please write giving comprehensive details of age, experience, qualifications and current salary to the company's Management Development Adviser, Mr. P.H. Clanton at 112 Station Road, Edgware, Middlesex, HA8 7AQ.

B·A·T STORES PLC
A member of the B·A·T Industries Group

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London: 01-580 7861 35-37 Fitzroy St. W.1.
Manchester: 061-228 0089 Sunley Building, Piccadilly Plaza.

Jonathan Wren Banking Appointments

ACCOUNT OFFICER

The London Branch of a European Bank which aims to offer a high standard of banking services to individual and commercial clients wishes to appoint an Account Officer. Duties will include account servicing in all its aspects, including lending. He/she will have the responsibility for the management of a section of the bank's U.K. clients. The successful applicant will probably be aged under 30 with a number of years in commercial banking including the negotiation and control of lending. Salary between £8,000 and £10,500.

170 Bishopsgate, London, EC2M 4LX. Tel: 01-623 1266

BP is Britain's largest and one of the world's leading companies.
International growth and diversification have created opportunities for a variety of energy related businesses in Exploration, Oil Refining and Marketing, Chemicals, Minerals, Coal, Gas, Nutrition, Detergents and other new ventures.

Recently qualified accountant? International outlook?

Have you qualified recently in a professional firm of accountants after gaining a university degree?

Are you aged 24 to 28, preferably with a second language and a knowledge of DP?

Do you want a responsible and demanding job in a major company offering the possibility of world-wide travel?

YOUR CAREER WITH BP COULD START IN ONE OF THESE AREAS.

BP Oil International Ltd. is responsible for BP's oil supply, refining and marketing business world-wide. It co-ordinates the oil activities – logistics, manufacturing (refining) and marketing – of the BP Group at home and abroad.

Group Internal Audit A highly developed function employing a range of professionals, conducting world-wide operational audits and corporate internal control services. An excellent introduction to the many parts of BP's operations.

Accounting Centre Maintains and prepares the accounts in respect of UK & Overseas Associates, including recording purchases and settlements, salaries, pensions, staff accounts and expense claims. Liaises with Accounting Systems and Computer Department, for provision of systems and DP service, internal check, control and monitoring procedures.

Group Accounts Arranges the preparation and consolidation of Group Accounts and Reports for shareholders and other third parties. Develops accounting policies for Group-wide application.

BP Chemicals International Ltd. operations include major chemical sites in the UK, as well as substantial interests in Europe and elsewhere overseas.

We offer excellent salaries plus London allowance, non-contributory pension, assistance with relocation expenses, where appropriate, and many other big company benefits.
Please write with details of qualifications and experience, indicating the functions which particularly interest you, quoting reference B.39, to: Mrs. Christine MacCarrick, Central Recruitment, The British Petroleum Company Limited, Britannic House, Moor Lane, London EC2Y 9BU.

BP The British Petroleum Company Limited

Financial Controller

c. £12,000 p.a. + car

Leicester

Our client, an expanding and diversifying subsidiary of a British public group, seeks a qualified ACA/ACCA, with at least two years' post-qualification experience, to take control of the total accounts function based in Leicester.
Both staff and computerised systems are well established and, apart from supervisory responsibilities, the main requirement is an innovative approach to the interpretation of accounts and dissemination of management information to the Main Board.
You will assume Director status after an interim period and benefits, including BUPA and pension scheme, are excellent.
Please write, with full details, to Peter Sandham, Director, Gresham Executive Appointments, West End House, 11 Hills Place, London W1R 1AG. Tel: 01-439 1461. Local interviews may be arranged.

Gresham Executive Appointments

INSURANCE BROKERS W. Indies, F. East To $40,000. Senior posts with major firm. Good conditions / prospects for ACIIs, one speaking Mandarin.

TAX MANAGER Holborn £18,000. Partnership prospects with progressive CAs for varied service company clients.

INSTITUTIONAL SALES City £ neg. Leading stockbrokers will reward proven record in marketing to institutions.

OPERATIONS/ACCOUNTS City To £12,500. Three International Banks seek experienced assistance: controls/reports/returns.

Required urgently: newly qualified ACAs from £9,000 for expanding Central and West End practices.

Please telephone/write in confidence to Richard Bucknall.

Zarak Hay Associates
Banking and Financial Recruitment.

Financial Control

Printing **Publishing**

Our client is a successful, very profitable and highly regarded London based printing group, with interests in publishing. Due to recent amalgamations and acquisitions, it now needs to recruit the following:

Financial Director **c.£14,000 + car**
.....for one of its more important printing subsidiaries, which is about to embark on a major modernisation programme. You will be responsible for the full accounting function, including management reporting and systems development. As you will be expected to make a very positive contribution to the general management, your track record must demonstrate commercial acumen. Experience of the printing industry would be an advantage.

Company Accountant **c.£11,000**
.....for the magazine publishing subsidiary. You will be totally responsible for the day to day accounting, costing systems, cash and credit control. Age and qualification are not as important as experience in the publishing world.

These are both new appointments and each post requires a "self-starter," who would welcome the opportunity of joining a pace-setting organisation that offers considerable job satisfaction, as well as the tangible benefits.

Please telephone James N. Denholm FCA on 01-734 2603, quoting reference number 140/1 or send your detailed career résumé to:

Financial Appointments Limited
Recruitment Consultants 18, Golden Square, London W1

ALPS ACCOUNTANCY & LEGAL PROFESSIONS SELECTION LTD
35 New Broad Street, London EC2M 1NH
Tel: 01-588 3576 Telex 887374

Challenging first appointment outside the profession for an enthusiastic and ambitious accountant.

ALPS YOUNG QUALIFIED ACCOUNTANT

ESSEX **£9,500 - £12,500**

FAST EXPANDING SPECIALIST INDUSTRIAL AND MEDICAL INSTRUMENT MANUFACTURING AND MARKETING GROUP.
TURNOVER £5-10 MILLION.

We invite applications from accountants (ACA, ACCA), aged 24-30, who are now interested in developing their careers in a demanding and vigorous commercial environment. Reporting to the Financial Controller, the successful candidate will, in due course, be responsible for a wide range of financial management and accounting functions, including those for overseas subsidiaries, foreign exchange, manufacturing and import/export in a strongly marketing orientated company. A bright, self-motivated and adaptable approach to work is essential. Initial remuneration negotiable £9,500-£12,500, plus contributory pension, free life assurance, free personal BUPA, and assistance with removal expenses if necessary. Applications in strict confidence, under reference YQA 042/FT, to the Managing Director:

ACCOUNTANCY AND LEGAL PROFESSIONS SELECTION LIMITED
35 NEW BROAD STREET, LONDON EC2M 1NH. TELEPHONE: 01-588 3588 or 01-588 3576. TELEX: 887374.

* Unless you are applying for the above position, please do not write to us.

SENIOR INSTITUTIONAL STOCKBROKER

Our client is one of the UK's most widely respected and old established provincial firms with a broad spread of institutional equity, corporate finance and private client business; the firm has a substantial presence in London.

They are seeking to appoint an experienced institutional salesman to join the existing and successful team in Manchester. The ideal candidate, aged 35-45, will already be a senior professional with a career background in a major London firm at or near partner level, and will be currently producing commission in excess of £70,000. He or she will have the full support of the firm's research team, together with the benefits of their in-depth knowledge of and good connections with Northern companies.

This is an important career appointment providing an opportunity to live in an attractive part of the country, offering a diverse range of leisure interests. A reward package in the range of £20,000–£25,000 p.a. is envisaged and a prospective partnership for the right candidate.

Please telephone in confidence or write to:–

Somerset Gibbs

Directorship Appointments Limited
66 Great Cumberland Place, London W1H 8BP Tel: 01-402 3233

CHARTERHALL OIL

LAWYER

required for expanding British independent oil company with interests in the UK, Australia and North America.
Wide experience of the oil industry is essential acquired either in a City practice or a major oil company.
This is an opportunity to join an energetic executive team and the successful candidate will be expected to play an important role in the future plans for the development of the Group's international business.
Age range early to mid-thirties. A salary in the region of £20,000 is offered plus non-contributory pension scheme and other benefits.
Please send curriculum vitae and full personal details to:

D. G. Williams
Chairman and Chief Executive
CHARTERHALL OIL LIMITED
Sutherland House, Brighton Road
Sutton, Surrey SM2 5BA

SITE PROJECT MANAGER

Wholesale Banking

Salary c.£14,000 + Car and Benefits London Based

We need to talk to men and women with experience of data processing in the Finance and Banking field for our Client who is a leader in the use of advanced computer technology.

Working in one of the major International Banks in the City of London, the people that are of interest are those of you who have a good educational background probably with a degree in Computer Sciences combined with several years practical experience working in a banking environment. It is essential to have had some man management exposure and a prerequisite of the qualities you'll need to have will be the ability to project to the people with whom you will be concerned, including Senior Banking officials, and that you have the confidence and capability to fulfill the role of project manager. An emphasis is currently placed on Foreign Exchange, Eurocurrency and Treasury applications.

If you feel you can meet the high standards that we are seeking and can portray an upward, stable work record, ring in the first instance 01-408 1611 Ext. 45 or 46 quoting reference 003/83/P.

paramount

PARAMOUNT RECRUITMENT
Suite 24/25, 1/2 Hanover Street, London W1

ACCOUNTANCY RECRUITMENT CONSULTANT
WINDSOR - BERKSHIRE

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Contact Lawrence F. Lock, M.D.
Management Personnel, York House
Chertsey St., Guildford
Tel: Guildford (0483) 64857

RECONCILIATIONS CLERK

To provide an Internal Audit function within our Securities Department. Wide Stock Exchange general office experience useful. Salary package negotiable.
Apply in writing with brief C.V. to:
Mr. B. C. Day
Henderson Administration Limited
11 Austin Friars, London EC2N 2ED

FUND RAISER
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with proven capacity, to produce donation and investment appeals programme (£200,000 p.a.) and patronage for management organisation developing common ownership enterprises in Wandsworth Borough. *Contact:*
J. POVOAS, WEDA - 01-870 2165

In view of the opening of its

LONDON BRANCH

ISTITUTO BANCARIO SAN PAOLO DI TORINO

is looking for qualified persons to complement its dealing room team. Applications are now invited for the following posts:

ASSISTANT TO CHIEF DEALER AND FX MANAGER:
28-35, with several years' active experience of Foreign Exchange and Deposit Dealing in the City.

FOREIGN EXCHANGE DEALER:
25-30, with 3-5 years' spot/forward dealing background.

DEPOSIT DEALER:
mid-20's, with 3-5 years' spot/forward dealing background.

Interesting prospects and benefits are offered to applicants with the required qualifications.

Applications, in confidence, with full CV to:

The Personnel Manager,
Istituto Bancario San Paolo di Torino,
P & O Building, Leadenhall Street, London EC3V 4QQ

Bank Recruitment Specialists

CREDIT ANALYST — c. £12,000
U.S. bank seeks an additional Analyst (aged up to 32, with min. 2 yrs' relevant experience ideally in U.S. banking), to cover a wide range of credit appraisal work including corporate, bank and country risk.

CREDIT ADMINISTRATOR — to £11,000
Eminent international bank seeks an A.I.B., 28-40, with current City experience in Loan Admin./Credit Analysis and a previous clearing bank background up to Securities.

CREDIT ANALYST (German speaking) — to £12,000+
Aged 25-32, with min. 2 years' credit analysis experience and ideally German mother-tongue. Varied rôle will include analysis of both country and commercial risk business.

CREDIT ANALYST (Italian speaking) — to £10,000
An experienced Credit Analyst, with a banking background and good knowledge of either Italian or Spanish, is sought by a prominent U.S. bank.

Please contact Leslie Squires

SPOT DEALER — c. £12,000+
Leading bank seeks an accomplished Spot Dealer. Candidates, aged in their 20s, should have 3-5 years' experience in major currencies and (ideally) knowledge of French and/or German.

F.R.N. DEALER — Negotiable
An additional experienced F.R.N. Dealer is sought to augment the successful bond/securities trading team at a well-established international merchant bank.

CHIEF AUDITOR — £14,000+
For the well-established London Branch of an overseas bank. Candidates, aged 35+, should have current experience within a bank's Internal Audit area as Head or Assistant Head of Department.

A.C.A./A.C.C.A. — to £11,500
Recently-qualified accountant (mid/late 20s) sought by first-class bank for challenging rôle involving responsibility for financial/management accounting. Some bank audit experience essential.

Please contact Ken Anderson

Telephone: 01-248 7421 or 01-248 8876

Anderson, Squires
Bank Recruitment Specialists
Regina House, 1-5 Queen Street
London EC4N 1FP

Anderson, Squires

Richard Ellis
World Wide

Investment Research Analyst

One of the UK's leading firms of Chartered Surveyors, Richard Ellis, provides a comprehensive Property Investment Consultancy for all types of Investing Institutions.
We now wish to appoint a Senior Investment Analyst to continue the development of our existing analytical system and be responsible for the initiation and execution of property investment research.
Applicants should preferably be aged between 25 - 35 with Economics or Statistics qualifications and at least four years investment analysis/research experience.
An attractive salary is offered, commensurate with the responsibility of the position. Written applications with full CV in confidence to:
I A Reid Esq ARICS, Richard Ellis, 64 Cornhill, London EC3V 3PS

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Chief Accountant

Barnard Castle, Co. Durham

Glaxo Operations UK Limited is a principal operating company of the Glaxo Group, which is a leading international pharmaceutical group with a successful research record in many therapeutic areas. Glaxo Operations employs over 4,000 people at a number of locations in the UK.

The pharmaceutical factory at Barnard Castle occupies a 50 acre site in a pleasant location in Teesdale, employs 1,300 people and manufactures a wide range of ethical pharmaceutical preparations for both the UK and export markets.

We wish to appoint a Chief Account at Barnard Castle, to succeed the present Chief Accountant, now promoted to a major financial role in the Company's head office.

The Chief Accountant reports directly to the Factory Manager and is responsible for all financial matters relating to the site. He/she will have a staff of 35, who control the financial and costing systems, which are mainly computerised. The Company has a heavy investment in modern computer systems and the Chief Accountant will have a major involvement in their further development.

As a member of the senior management team, he/she will participate in local decision making, and will provide comprehensive management information to assist fellow managers. As rigorous financial and accounting control is essential at this major site, the Chief Accountant will be of high calibre, ambitious and able to develop systems and organisations to meet local needs.

Candidates will be qualified accountants with a first class educational and professional background and, since qualification, a successful career with managerial experience in industry.

A substantial salary fully in keeping with the responsibilities of this important position is offered. Benefits include non-contributory pension, bonus schemes and assistance with relocation where appropriate.

Please write giving full details to Miss P. Kingston, Manager Personnel Division, Glaxo Operations UK Limited, Greenford Road, Greenford, Middlesex, quoting Ref. No: B/229.

Glaxo *Operations UK LIMITED*

Financial and Accounting Management

Balfour Beatty is a highly successful, major international contracting and engineering group engaged in more than 75 countries worldwide. Examples of the Group's significant projects include the Victoria Dam in Sri Lanka, the Mina Jebel Ali Harbour in Dubai, the China Light and Power transmission system in Hong Kong and the Kielder Dam in the U.K.

The Group's expansion during recent years has been substantial and additional senior Financial and Accounting Management are now needed to support and share in this growth.

Career opportunities are good and the emphasis is on people who can demonstrate a record of achievement and potential for further promotion.

Divisional Chief Accountant - U.K. Based

Balfour Beatty Construction Limited

This Company handles the group's worldwide civil engineering, building and property development activities with a turnover of about £250m p.a. from four divisions.

Because of expansion, we wish to make a senior management appointment as Divisional Chief Accountant, to report to the General Manager, and take responsibility for the Division's financial and accounting function. Applicants of either sex will have had substantial experience in the construction industry including the control of major civil engineering projects.

It is envisaged that this appointment, based in Croydon, could lead to a Divisional Directorship. An excellent salary will be offered, together with a first class benefits package including a car, PPP, pension and life assurance.

Finance and Accounting Manager - Nigeria

JKN Construction Company - Civils Division

c.£25,000 p.a. plus benefits

The expansion of our associate company's activities in West Africa has created the need for an experienced financial manager to control the finance and accounting functions relating to our construction activities throughout Nigeria.

This is a Balfour Beatty staff appointment with an initial 2 year contract on secondment to JKN Construction Company Ltd.

Candidates of high ability are required for this key role. Applicants must be qualified with overseas construction experience ideally in West Africa.

The appointment is based in Lagos, salary will be negotiable around £25,000 p.a. and benefits include free family housing, car, servants, assistance with U.K. school fees, paid U.K. leave, plus full medical cover and pension.

Financial Manager - Indonesia

P.T. Balfour Beatty Sakti

c.£20,000 p.a. - local tax-paid, plus benefits

This Joint Venture Company with local partners is entering a new stage of development and is involved in multi-discipline contracting activities throughout Indonesia. The present appointee is returning for an assignment in the U.K. having completed a five year tour, and it is intended that the replacement would have a two year posting, with a subsequent move to another position in the Balfour Beatty Group.

The Financial Manager will be responsible for all the Company's financial affairs including strategic plans, budgets, accounting, negotiation with banks and finance companies, liaison with auditors and handling corporate taxation.

The appointment is based in Jakarta, salary will be negotiable around £20,000 p.a., local tax paid and an excellent range of benefits include free family housing, car, assistance with U.K. school fees, full medical cover and pension.

Suitably qualified and interested candidates should send a C.V. to: N. McMeeking, Group Personnel Manager, Balfour Beatty Limited, 7 Mayday Road, Thornton Heath, Surrey, CR4 7XA. Telephone: 01-684 6922.

The staffing of new projects throughout the world generates a constant demand for high calibre people. We would also like to hear from candidates interested in financial and accounting career possibilities in the Balfour Beatty Group.

BB Balfour Beatty

THE INTERNATIONAL ENGINEERING AND CONSTRUCTION GROUP

OIL SUPPLY MANAGEMENT

Two new opportunities with LASMO

LASMO, the British independent oil company has substantial interests in major North Sea fields currently in production, as well as in development projects and highly prospective exploration concessions both in the UK and abroad. Its current North Sea crude oil offtake arises from its 9.3% share of Ninian field.

To develop specialist management of its supply function the company seeks to make two appointments.

Supply Manager

The appointee would have responsibility for the negotiation and sale of crude oil and LPG. An important aspect of the position is that of providing advice on developments in international crude oil prices and identifying potential trading opportunities open to the company. The appointee will also have responsibility for managing the shipping, documentation and contractual aspects of crude sales. To be a candidate for this position you should have considerable previous experience in crude oil sales within a major oil company, ideally in a managerial or supervisory position. The appointment will carry a highly competitive salary and in addition you will receive a company car.

Assistant Supply Manager

This position involves responsibility for the coordination of lifting schedules with sales contracts for crude oil and LPG. The appointee will monitor field production and terminal crude oil and LPG availability and maintain necessary records. You would be required to liaise with terminal operators and shippers. To be a candidate for this position you should have at least three years' experience in the supply department of a major oil company.

The fringe benefits of both positions will include a non-contributory pension scheme, free family membership of BUPA and eligibility to participate in LASMO's profit share scheme.

To apply please write to Summit Management Consultants Limited, 28 Margaret Street, London W1N 7LB or telephone 01-580 3536. SMCL will treat your details in strict confidence and will not pass information to the company without your express approval.

SMCL
OIL & GAS RECRUITMENT

STOCKBROKERS

We are London Stockbrokers who wish to enlarge the Private Client business in which we specialise.

We would like to hear from Members based in London or the Provinces, either individuals or groups, who seek a change.

Please apply in confidence to: *Box A.7758, Financial Times 10, Cannon Street, EC4P 4BY*

L/A BROKERS

to £20,000

for good Broking House c 4-5 years experience
Please contact
PAM WILES
01-236 0731

Q.S. Banking
Recruitment Consultants
30-31 QUEEN STREET, LONDON EC4

GENERAL MANAGER

U.S.A. manufacturer seeks general manager for European subsidiary assembling and distributing mechanical product in Europe, U.K., Africa, Mid-East. Sales over $4m. Requires experienced managing distributors, business planning, and financials. Fluency required in French as well as English. Opportunity for self-starter to grow enterprise. Forward resume to Box A.7744, Financial Times, 10, Cannon Street, EC4P 4BY

EUROBOND DEALER

Experienced traders and sales are being sought by a large Merchant Bank to promote markets in U.S., Japanese and DM Convertible securities.

MANAGER — SYNDICATED LOANS

This is a newly created position in the International Division of a Merchant Bank. A thorough grounding in all aspects of international lending, credit analysis and loan documentation is required to cover a wide spectrum of responsibilities and support.

FOREIGN EXCHANGE DEALER

An opportunity exists in the dealing room of a Merchant Bank for dealer with 2/3 years' trading experience in Foreign Exchange, who has a limited responsibility for running a book and is keen to progress.

INVESTMENT DEALER

The Investment Division of a large International bank require an additional dealer with trading experience in gilts, equities (UK and Foreign), Eurobonds, gold or any permutation of these.

OPERATIONS ASSISTANT

An expanding branch of an International Bank require an experienced banker with a particular bias in all aspects of accounts: reporting, Foreign Exchange settlements, etc.

CREDIT ANALYSTS

A major international bank is seeking analysts, with both overseas and UK balance sheet reporting experience to join an expanding marketing team.

PLEASE SPEAK TO SHEILA JONES ON 01-588 3991

OLD BROAD STREET BUREAU LIMITED
STAFF CONSULTANTS
01-588 3991

SYSTEMS DEVELOPMENT DIRECTOR

c. £25,000

City or Home Counties

A major international financial institution with a sound American base, plans to enhance its competitive position through the advanced use of information technologies. Our client seeks an innovative systems professional to spearhead this initiative in its UK operations.

The company is well placed for this challenge. It already has some of the best conventional computerised systems in its industry, together with a skilled team of dedicated analysts and programmers.

The successful candidate, probably a graduate aged under 40 will have a proven track record of planning, designing and implementing major systems change. Demonstrated management skills and flair are essential.

This senior appointment can be based either in the City of London or the Home Counties. Travel will be necessary between these two offices and occasionally to America.

Salary is negotiable around £25,000, plus car, generous relocation expenses and the normal benefits of a large group.

Please write, in strict confidence, with brief but comprehensive CV to date, advising any companies to which your application should not be referred. A telephone number should also be provided, at which you can be readily contacted.

ACP Limited,
69 Knightsbridge, London SW1X 7RB

MANAGING DIRECTOR

(DESIGNATE)

required by a

LARGE PRIVATE ESTATE COMPANY WITH VERY WIDE INTERESTS IN LONDON AND COUNTRY PROPERTIES, AGRICULTURAL LAND AND OVERSEAS OPERATIONS.

The applicant will be required to work with the present managing director in order to gain a full knowledge of the company's affairs.

A thorough practical background of all forms of general estate business and management for the running of a company of this size is essential. A knowledge of Trust Law, general legal work, taxation and accountancy would be an advantage.

The head office of the company is located in London and the salary will be in keeping with the importance of this appointment

Please apply, in confidence, giving full details and qualifications to:
Box A.7763, Financial Times, 10, Cannon Street, EC4P 4BY.

FINANCIAL ACCOUNTING

c£13,000

We are an established international consortium bank specialising in Latin America and the Caribbean and are seeking to recruit an experienced bank accounting specialist to strengthen our Financial Services team.

Primarily, responsibilities are for the preparation and critical review of financial and statistical reports on all aspects of the Bank's operations, present and future.

The successful candidate will have all round experience of international bank accounting together with leadership qualities and the ability to communicate effectively at all levels.

We offer an attractive salary, commensurate with experience together with a generous benefits package that includes a subsidised house purchase scheme.

Applications will be treated in strictest confidence

Please telephone 01-606 0631

Company Secretary

Nottingham **c £12,000 + Company car**

An interesting and varied opportunity is being offered by our Client, a progressive-minded public group, to an experienced, sound and thorough company secretary aged 35-50, who has gained varied secretarial/administrative/financial accounting experience over many years. Probably a Chartered Secretary or an ACA or ACCA with relevant company secretarial experience, the main duties will encompass normal statutory duties required of a secretary of a public group, pension administration, insurance administration, central accounts preparation, legal and share registration administration in conjunction with outside advisers, preparation of Board papers and co-ordinating the production of annual accounts and other public documents in conjunction with advisers and printers.

Telephone Walsall 614455 (24 hr. answering service) for an application form quoting ref. 624, or send detailed c.v. to Phipps Management Selection, Oriel Chambers, Bridge Street, Walsall, West Midlands WS1 1DP.

Phipps
Management Selection

Director and Chief Executive

Norcros Industry (International) Limited is the holding company for the overseas manufacturing companies of the Norcros Group with a consolidated turnover approaching £100 million. The companies are located in Australia, India, South East Asia, Africa and North America.

We now require a Director and Chief Executive to assist the Norcros Group Managing Director – International in monitoring and directing the activities of our existing operations and in seeking out and developing new business opportunities.

The calibre and experience required suggests that the successful candidate will currently be a Chief Executive or equivalent in an industrial organisation with total responsibility for the operational effectiveness of one or more subsidiary manufacturing companies overseas.

The appointment will be based on Reading and will call for considerable overseas travel. The salary will be negotiable from £30,000 per annum. A car and the usual benefits associated with a large international organisation will be available.

Applicants should write in confidence to: T. C. F. Simpson, Managing Director–International, Norcros p.l.c., Reading Bridge House, Reading, Berks. RG1 8PP.

NORCROS

Experienced

LOAN ADMINISTRATION CLERK

required by city branch of major West German bank. Good career prospects, attractive salary and usual fringe benefits will be offered.

Please reply, giving brief details of career to date to:

Box A7766, Financial Times
10 Cannon Street, EC4P 4BY

EUROBOND SALES EXECUTIVE

c. £20,000 p. a.

A large international banking group is seeking someone with excellent knowledge of Eurobonds together with selling experience. He or she will market the bank's service to clients. Excellent educational background and self assurance are essential.

BSB Banking Appointments

115-117 Cannon Street, London EC4N 5AX
Telephone 01-623 7317 & 01-623 9161

International Appointments

CHIEF DEALER

Middle East **c.$60,000 tax free**

Prominent & Expanding International Bank

Our Client is a substantial and successful international bank located in the Middle East.

The immediate requirement is for a senior dealer to take responsibility for day to day control of the bank's head office trading activities.

Candidates, probably in their late 20's, must possess considerable dealing expertise gained in an active international bank. The initial emphasis will be on money market trading, although sound experience in foreign exchange is regarded as essential.

This appointment is offered on the basis of a 3 year renewable contract, and the salary and expatriate benefits will fully reflect the importance attached to the position.

Contact Norman Philpot in confidence on 01-248 3812

NPA Middle East Recruitment

60 Cheapside London EC2 Telephone 01-248 3812/3/4/5

Computer Analysts/Programmers For Saudia Arabia

A leading financial institution in Saudi Arabia is looking for four computer analysts/programmers for NCR-8430 - IRX 0/S. Candidates must be graduates and should have minimum of two, but preferably four years' experience, in system design and/or programming under IMOS or IRX.

An attractive tax-free salary and free accommodation package will be offered to successful candidates depending upon their qualifications and experience.

Please reply in confidence to:
Mr. John Potter,

Ahmad Hamad AlGosaibi & Bros.
P.O. Box 707 AlKhobar, Saudi Arabia.

All interviews will be held in London.

ACCOUNTANTS FOR CYPRUS

£8,000+ depending on qualifications and experience

THE CENTRAL BANK OF CYPRUS

invites applications from Cypriot Chartered or Certified Accountants.

After a period of satisfactory service successful candidates will be promoted to the post of Senior Accountant with salary rising to £14,105.

The post is permanent pensionable.

Interested persons who have taken their final examination and are awaiting results may also apply.

Applications to be addressed to: Mr A. J. Philippou, c/o Bank of Cyprus (London) Ltd, 27-31 Charlotte Street, London W1P 4BH.

Further information may be obtained from the Secretary of the Central Bank of Cyprus—telephone 45281 or P.O. Box 5529, Nicosia.

Finance Director

Kowloon-Canton Railway c. £28,000 + 25% + car

The Kowloon-Canton Railway forms an integral part of the passenger transport network in Hong Kong and a vital artery of international passenger and freight movement with the People's Republic of China. By mid-1983 a £300 million + modernisation project will have transformed the railway into one of the most advanced systems of its kind. During 1982, existing Government control of the railway will be vested in a Public Corporation, charged with realising the system's massive growth potential.

A key appointment in the new Corporation, the Finance Director will work to formulate financial strategy and objectives, building within this framework an integrated financial control system covering all aspects of the financial, management and statutory accounting requirements of the new enterprise. To fulfil this challenging role, we seek a qualified industrial accountant, aged at least in the late 30s, currently holding senior management rank in a substantial and diversified commercial concern.

This 'green fields' opportunity within one of Asia's most dynamic economies will appeal particularly to candidates already experienced in building a major function from basics. Remuneration, negotiable around the figure indicated, will be accompanied by a 25% gratuity and excellent expatriate benefits including family accommodation, car, first-class business travel, education allowances and annual paid home leave. Maximum rate of personal income tax in Hong Kong is currently 15%.

PA offers complete security and initial interviews will be conducted by a London-based PA Consultant during March. Applications, giving the fullest possible information plus a copy of a recent photograph, should be forwarded, to the address below, *quoting ref: GM51/HK1613/FT on both letter and envelope.*

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

PA

A member of PA International

Corporate Finance Manager

Financial Control in Arabic

Corporate H.Q. **Riyadh**

Not only are you a well qualified accountant with international experience, but you are also one of those rare individuals who have a keen and proven business sense, probably initially endorsed by an M.B.A. or similar additional qualification. You will enjoy the challenge of being directly responsible to the President of the Saudi Arabian Trading and Construction Co. (S.A.T.C.O.), not only for the central accounting function, which is naturally carried out in Arabic, but also the overall control of the financial activities of the Group and its subsidiary companies and joint venture operations; each of which has its own Financial Controller or Manager accountable to you.

This exciting and influential position with a Group where expansion and profitability are nothing short of dramatic, also entails investing in international money markets, dealings with the Group's Bankers, and analysis of each operation's financial activities.

The rewards are high and success could well lead to being appointed to the Executive Board. Whilst initially a two year contract, this is renewable and although bachelor status at the outset, this too will be reviewed if applicable after the first year. Suitable free accommodation, health insurance, personal transport and return air tickets for leave periods are naturally included in the overall package.

If you are interested, well qualified and fluent in both written and spoken Arabic, please contact the Company's advisor, Peter Findlay, Cripps Sears and Associates (Personnel Consultants), Burne House, 88/89 High Holborn, London WC1V 6LH, or telephone 01-404 5701 (24-hour service), Telex: 893155 CRIPPS G.

Cripps, Sears

INTERNATIONAL APPOINTMENTS
APPEARS EVERY THURSDAY
RATE £29.00 PER SINGLE COLUMN CENTIMETRE

LEADING FINANCIAL INSTITUTION IN SAUDI ARABIA SEEKS

Chief Accountant / Operations Manager

Minimum 12 years banking experience with emphasis on general operations to include foreign exchange settlements, documentary credits and bills, guarantees and loan administration. General familiarity with data processing regional and multi-branch banking.

Foreign Exchange Settlements Supervisor

Reporting to chief accountant, applicants to have good understanding of all aspects of spot and forward foreign exchange dealing and have at least three years experience in settlements as well as four or five years general operations experience.

Loans And Bills Supervisor

Reporting to chief accountant, responsible for loan administration, to include syndicated loans, advances, documentary credits and guarantees. Applicants should have at least eight years experience in the above areas.

Tax-free salaries, free accomodation and an attractive benefits package will be offered to successful applicants.

Please reply in confidence to:
Mr. Alan Wood,
8, Crosby Square, London EC3A 6AN.

All interviews will be held in London.

EMA

FINANCIAL CONTROLLER NIGERIA

C£16,500 tax free & accommodation

Our client, a leading manufacturer of printing materials, established a Nigerian subsidiary 2 years ago. The subsidiary is trading well in a growing market and is forecasting £2½ million turnover for 1982.

Working closely with the Managing Director, the Controller will supervise 6 staff and be involved in all aspects of the company's business. Responsibilities will include accounting and management information, pricing, cash management and customer negotiations. The range of experience should provide a good basis for promotion elsewhere within the parent company's operations.

Provided with free accommodation, generous expenses and enjoying a tax free salary, the Controller will be hired on a renewable one year single status contract. **Applicants, aged 25-30, should be qualified accountants from the profession or industry.** Please telephone or write to David Hogg FCA quoting reference I/2121.

EMA Management Personnel Ltd.
Holton House, 20/23 Holborn, London EC1N 2JD
Telephone: 01-242 7773 (24 hour).

Manager, International Investment Portfolio

Atlantic Richfield Company's growing pension fund investments have created a new expansion opening for an experienced international money manager.

If qualified to manage this sizeable portfolio supplementing our internally managed domestic operations, you will be located at our corporate headquarters in Los Angeles. Your credentials must include at least five years experience in managing or guiding an institutional portfolio concentrating on investments in the Pacific Basin area. You should have current relationships with investment brokers and financial institutions in Japan, Australia, Hong Kong, Singapore, etc.

It is probable that you will have a degree in Finance or Economics. Japanese language capability is preferred. Demonstrated ability to represent our pension plan activities effectively in international investment management circles is essential.

The position will have a minimum annual salary of $60,000. Higher compensation may be possible depending upon qualifications.

Investigate the scope, comprehensive benefits, and superior visibility of this position without delay. Please send your fully confidential resume and earnings history to: **B. E. Jeffries, ARCO Oil Producing, Inc., Collier House, 3rd Floor, 16/169 Brompton Road, London SW3 1PZ, England.**

AtlanticRichfieldCompany

An equal opportunity employer.

Young Executive International Finance Department

Large french Bank - Paris

We are seeking a **young executive** for our **International New-Issues Division.**

The successful applicant will be aged around 25. **English mother tongue and fluency in French** are essential. No previous professional experience is required, but a good degree and a real interest in international finance problems are highly desirable.

The applicant will join the team responsible for the preparation and the management of Eurobond Issues.

Applications, enclosing a curriculum vitae with a photo, should be sent (ref 1676) to:

MEDIA PA
9, Bd des Italiens, 75002 Paris
which will pass them on

(Confidentiality and a reply are guaranteed)

MEDIA PA

EUROBOND DEALER PARIS

One of the first french banking group looks for a Eurobond Dealer with good experience Working knowledge of french and english required.

Write under ref. WH 355 CK

4, rue Massenet 75016 Paris **etap**

Banque de la Société Financière Européenne
International Bank
Located in Paris
is looking for

INTERNATIONAL BANKERS

Applicant preferably aged between 28 and 32, will ideally have the following qualifications:

— MBA degree or equivalent.
— Approximately 2 to 5 years experience in international banking.
— Strong knowledge of credit analysis and Eurocurrency lending.
— Fluency in English is essential. Knowledge of German or Italian would be an advantage.

Applications with detailed curriculum vitae and salary to date will be treated in the strictest confidence and should be sent to:
J. Lhopiteau, Personnel Manager,
Banque de la Société Financière Européenne,
20, rue de la Paix - 75002 PARIS.

GENERAL MANAGER

Window Manufacturer (Hong Kong)

Up to Pds. 18,000 p.a. (Tax Free)

Chiap Hua Comalco Limited, a member of the RTZ Group, is well established in the Far East as a major aluminium window manufacturer supplying local and export markets.

The General Manager will be responsible for the manufacturing and marketing activities of the company.

The successful applicant should have had previous general management experience and must have had marketing and production management experience, and preferably site contract management experience in the commercial and residential window business.

Excellent benefits are applicable to this senior appointment including membership of a provident fund, home leave assistance, relocation expenses together with free rental accommodation.

Please write enclosing a comprehensive c.v. giving details of age, education, job history, marital status and current salary and benefits to:

Mr. J. R. Nicholls,
c/o Comalco (UK) Limited,
132 Sloane Street,
London SW1

Interviews for this senior position will commence in London on the 1st March, extending to the 3rd March, 1982.

TELEVISION

BBC 1

6.40-7.30 am Open University (uhf only). 9.05 For Schools, Colleges. 12.30 pm News After Noon. 1.00 Pebble Mill at One. 1.45 King Rollo. 1.50 Bric-a-Brac. 2.00 You and Me. 2.15-3.00 For Schools, Colleges. 3.15 Holiday with Cliff Michelmore. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Winsome Witch. 4.25 Jackanory. 4.40 Huckleberry Finn and his Friends. 5.05 John Craven's Newsround. 5.10 Blue Peter.

5.40 News.
6.00 Regional News Magazines.
6.25 Nationwide.
7.00 Tomorrow's World.
7.25 Top of the Pops.
8.05 Wildlife on One: "The Water Walkers" narrated by David Attenborough.
8.30 Goodbye Mr Kent, starring Richard Briers and Hannah Gordon.
9.00 News.
9.25 25 Years Ago—"Tonight:" A look back at the magazine programme which ran from February 18 1957 until 1965.
10.25 Question Time, chaired by Robin Day.
11.23 News Headlines.
11.25 Top Sailing: Small Boat Cruising.

Chris Dunkley: Tonight's Choice

A packed evening for anyone with catholic tastes. BBC-2 starts the 12-part serial County Hall written by Phil Redmond who created "Grange Hill." This new one, set against a background of local government, sounds like a low-key "Muck And Brass." At 7.00 Radio 1 devotes an hour to the greatest of all The Record Producers in the pop world: Phil Spector who invented "the wall of sound" and made such astounding records as Da Doo Ron Ron, Be My Baby, and River Deep And Mountain High. ITV's Falcon Crest is another American family saga from the company which made "Dallas"; they've simply changed the liquid from oil to wine and shifted the location from Texas to California.

25 Years Ago Tonight on BBC-1 is a must for anyone really interested in television: Cliff Michelmore fronts a programme looking back at "Tonight" with practically everyone who worked on it from Fyfe Robertson and Alan Whicker to Robin Hall and Jimmie McGregor. BBC-2's Forty Minutes is devoted to young boxer Herol Graham, and at 10.10 BBC-2 screens the first of four concertos in which the admirable Korean violinist Kyung Wha-Chung Plays Bach, starting with the A Minor Concerto.

BBC 2

7.05-7.55 am Open University.
11.00 Play School.
12.00-1.15 pm Open University.
3.55 Muggeridge: Ancient and Modern.
4.50 Caught in Time.
5.10 The Urban Experience.
5.40 Tex Avery Double Bill.
5.50 All Creatures Great and Small.
6.45 County Hall.
7.20 News Summary.
7.25 History on Your Doorstep.
7.50 The Shogun Inheritance.
8.30 Russell Harty.
9.00 Call My Bluff.
9.30 Forty Minutes.
10.10 Kyung-Wha Chung Plays Bach.
10.35 Cameo.
10.45 Newsnight.
11.30 The Old Grey Whistle Test.

LONDON

9.30 am Schools Programmes. 12.00 The Woofits. 12.10 pm Get Up and Go! 12.30 The Sullivans. 1.00 News, plus FT Index. 1.20 Thames News with Robin Houston. 1.30 Take the High Road. 2.00 After Noon Plus presented by Judith Chalmers and Trevor Hyett. 2.45 The Gate of Eden. 3.45 How's Your Father? 4.15 Dr Snuggles. 4.20 Little House on the Prairie. 5.15 Emmerdale Farm.

5.45 News.
6.00 Thames News with Andrew Gardner and Rita Carter.
6.30 Thames Sport.
7.00 Does the Team Think? Tim Brooke Taylor is the chairman and the panel consists of Beryl Reid, Jimmy Edwards, Frankie Howerd and William Rushton.
7.30 Rising Damp.
8.00 Falcon Crest.
9.00 Shelley starring Hywel Bennett.
9.30 TV Eye.
10.00 News.
10.30 Danger UXB.
11.30 Parents and Teenagers.
12.00 What the Papers Say Awards.
12.25 am Close: "Sit Up and Listen" with Elisabeth Lutyens.

† Indicates programme in black and white

All IBA Regions as London except at the following times:—

ANGLIA

1.20 pm Anglia News. 2.00 Not For Women Only. 3.45 The Electric Theatre Show. 4.20 Vicky the Viking. 4.45 The Further Adventures of Oliver Twist. 6.00 About Anglia. 6.20 Arena. 6.35 Crossroads. 7.00 Benson. 10.30 North Sea Saga. 11.15 Parents and Teachers. 11.45 Marie Gordon-Price in Concert. 12.15 am Talking of People.

BORDER

1.20 pm Border News. 5.15 University Challenge. 6.00 Lookaround Thursday. 6.35 Crossroads. 7.00 Emmerdale Farm. 7.30 Rising Damp. 10.30 Golfing Greats (Peter Thomson). 11.00 Parents and Teenagers. 11.30 Border News Summary.

CENTRAL

12.30 pm The Young Doctors. 1.20 pm Central News. 4.20 Sport Billy. 4.45 Jason of Star Command. 5.15 Here's Boomer. *6.00 Crossroads. 6.25 Central* News. 7.00 Emmerdale Farm. 7.30 England their England. 10.30 Venture. 11.00 Central News. 11.05 "Hitler: The Last Ten Days," starring Alec Guinness.

CHANNEL

1.20 pm Channel Lunchtime News, What's On Where and Weather. 3.45 End of Part One. 5.20 Crossroads. 6.00 Channel Report. 6.35 What's On Where. 6.40 Take Tockerman. 7.00 Benson. 10.28 Channel Late News. 10.34 A Better Read. 11.05 Parents and Teenagers. 11.35 In Concert: Mike Oldfield. 12.05 am News and Weather in French.

GRAMPIAN

9.25 am First Thing. 1.20 pm North News. 4.20 The Flying Kiwi. 4.50 Sport Billy. 5.15 Emmerdale Farm. 6.00 North Tonight. 6.30 Police News. 6.35 Crossroads. 7.00 It's George. 10.30 Bizarre. 11.00 Parents and Teenagers. 11.30 Seachd Laitheen—Angus Peter Campbell presents the week's news in Gaelic. 11.45 Living and Growing—A Preview for Parents and Teachers. 12.15 am North Headlines.

GRANADA

1.20 pm Granada Reports. 1.30 Exchange Flags. 2.00 Take the High Road. 2.30 Yesterday. 4.20 Here's Boomer. 4.50 Voyage to the Bottom of the Sea. 6.00 This is Your Right. 6.05 Crossroads. 6.30 Granada Reports. 7.00 Emmerdale Farm. 10.30 Lou Grant. 11.30 What the Papers Say Award—Brian Inglis presents the programme: Michael Foot and David Steel present the awards. 11.55 Late Night From Two.

HTV

1.20 pm HTV News. 3.45 Square One. 4.20 Palmerstown U.S.A. 5.10 Jobline. 5.20 Crossroads. 6.00 HTV News. 6.30 The Cuckoo Waltz. 7.00 Emmerdale Farm. 10.28 HTV News. 10.30 Superstar Profile. 11.00 Survival. 11.30 The Great Depression.

HTV CYMRU/WALES—As HTV West except:— 11.22-11.37 am Am Gymru. 12.00-12.10 pm Mwstl. 4.15 Fanfare for Young Musicians. 4.45 Ser. 5.10-5.20 The Undersea Adventures of Captain Nemo. 6.00 Y Dydd. 6.15 Report Wales. 6.30-7.00 Sports Arena. 10.30-11.30 All Kinds of Everything.

SCOTTISH

1.20 pm Scottish News. 1.30 Bygones. 4.20 Palmerstown U.S.A. 5.10 Trivial Tales. 5.20 Crossroads. 6.00 Scotland Today. 6.20 Bodyline. 6.30 Now You See It. 7.00 Take the High Road. 10.30 Make Mine Music. 11.00 Parents and Teenagers. 11.30 Seachd Laitheen. 11.45 Living and Growing for Parents and Teachers. 12.15 am Late Call.

TSW

1.20 pm TSW News Headlines. 3.45 End of Part One. 5.15 Gus Honeybun's Magic Birthdays. 5.20 Crossroads. 6.00 Today Southwest. 6.30 Tele Views. *6.40 Take Tuckerman. 7.00 Benson.* 10.32 TSW Late News. 10.35 Controversy: Tonight's topic—the contention that religion is nothing but an elaborate fairy tale. 11.05 Parents and Teenagers. 11.35 In Concert. 12.05 am Postscript. 12.10 am South West Weather.

TVS

1.20 pm TVS News. 2.00 Not for Women Only. 3.45 Square One. 5.15 Radio. 5.30 Coast to Coast. 6.00 Coast to Coast (Continued). 6.35 Crossroads. 7.00 Emmerdale Farm. 10.30 Just Williams. 11.00 Parents and Teenagers. 11.30 The New Avengers. 12.30 am Company.

TYNE TEES

9.20 am The Good Word. 9.25 North East News. 1.20 pm North East News and Lookaround. 4.20 The Lone Ranger. 4.50 Voyage to the Bottom of the Sea. 6.00 North East News. 6.02 Crossroads. 6.25 Northern Life. 7.00 Emmerdale Farm. 10.30 North East News. 10.32 Job Slot Extra. 10.35 Bizarre. 11.00 Check It Out. 11.30 God Sees the Truth But Waits. 11.55 A Look at Bellringing.

ULSTER

1.20 pm Lunchtime. 4.13 Ulster News. 4.20 Here's Boomer. 4.45 Schools Challenge. 5.15 Radio. 5.30 Good Evening Ulster. 6.00 Good Evening Ulster. 6.25 Police Six. 6.35 Crossroads. 7.00 Emmerdale Farm. 10.29 Ulster Weather. *10.30 Bizarre. 11.00 Parents and* Teenagers. 11.30 News at Bedtime.

YORKSHIRE

1.20 pm Calendar News. 3.45 Struck by Lightning. 4.20 Sport Billy. 4.45 Little House on the Prairie. 6.00 Calendar (Emley Moor and Belmont editions). 6.35 Crossroads. 7.00 Emmerdale Farm. 10.30 Country Calendar. 11.00 Parents and Teenagers. 11.30 Ladies' Man.

RADIO

(S) Stereophonic broadcast
‡ Medium wave

RADIO 1

5.00 am As Radio 2. 7.00 Mike Read. 9.00 Simon Bates. 11.30 Dave Lee Travis. 2.00 pm Paul Burnett. 3.30 Steve Wright. 5.00 Peter Powell. 7.00 The Record Producers. 8.00 David Jensen. *10.00-12.00 John Peel (S).*

RADIO 2

5.00 am Ray Moore (S). 7.30 Terry Wogan (S). 10.00 Jimmy Young (S). 12.02 pm Cricket Desk. 12.03 Gloria Hunniford (S). 2.00 Ed Stewart (S). 4.00 David Hamilton (S). 5.45 News. Sport. 6.00 John Dunn (S). 8.00 Country Club with Wally Whyton (S). 9.00 Alan Dell with the Big Band Sound (S). 9.55 Sports Desk. 10.00 Know Your Place. 10.30 Star Sound Extra with Nick Jackson. 11.00 Brian Matthew with Round Midnight. 1.00 am Truckers' Hour (S). 2.00-5.00 You and the Night and the Music (S).

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Morning Concert (S). 8.00 News. 8.05 Morning Concert (continued) (S). 9.00 News. 9.05 This Week's Composer: Dvorak. 10.00 Haydn and Weber (S). 10.40 Delme String Quartet (S). 11.20 Diane Walsh, piano recital (S). 12.00 BBC Northern Symphony Orchestra (S). 1.00 pm News. 1.05 Bristol Lunchtime Concert (S). 2.00 "Halka," an opera in four acts, music by Stanislaw Moniuszko, sung in Polish (S). 4.40 Stephen Dodgson (S). 4.55 News. 5.00 Mainly for Pleasure (S). 7.00 Bliss Oboe Quintet (S). 7.25 Letter to the Old Man on a Cassette Recorder, a play by Nigel Baldwin (S). 9.10 Words (talk by John Sparrow). 9.15 Elgar: "The Kingdom" (S). 11.00 News. 11.05-11.15 Richard Arnell (S).

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Checkpoint. 9.30 The Living World. 10.00 News. 10.02 Your Move or Mine. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 File on 4. 11.50 Enquire Within. 12.00 News. 12.02 pm You and Yours. 12.27 Never Too Late (S). 12.55 Weather, programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Afternoon Theatre (S). 4.00 Home Base. 4.15 Bookshelf. 4.45 Story Time. 5.00 PM: News magazine. 5.50 Shipping Forecast. 5.55 Weather, programme news. 6.00 News, including Financial Report. 6.30 Any Answers? 6.55 It's a Bargain. 7.00 News. 7.05 The Archers. 7.20 Time for Verse. 7.30 Alfred Brendel (piano) recital (part 1) (S). 8.15 Forty Years Ago. 8.35 Recital (part 2) (S). 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

BUSINESS LAW

Missed chance for law reform

BY A. H. HERMANN, Legal Correspondent

IN ALL the other legal systems of the world, including Scotland but excluding the Republic of Ireland, the general rule is that the withholding of a debt entitles the creditor to interest, but not in England. Neither common law courts nor arbitrators can award interest unless they are concerned with the enforcement of the principal sum. When the principal has been paid, even after many years' delay, but before judgment, there is no way the creditor can be compensated for the loss of interest which could now be running at the rate of 15-20 per cent a year.

There are a few exceptions, one of them applying to marine claims, but in general this unique and unfair rule survives.

It now seems that a rare opportunity to put things right will be missed. The Administration of Justice Bill, introduced last week in the House of Lords by Lord Hailsham, the Lord Chancellor, would implement some of the recommendations of the Law Commission and enlarge the courts' powers to award interest on debts or damages, but would stop short of introducing a statutory right to interest on overdue debts which could be claimed in court or at an arbitral tribunal, even after the principal sum had been paid.

The Bill is a basket of measures, some important and others trifling, which deal with damages for personal injury, wills, County Courts, funds in court, various odds and ends — and also interest on debts and damages.

Part III of the Bill, which deals with interest, is unintelligible by itself but Schedule I which it introduces is fairly clear: both the High Court and the County Courts should be empowered to award interest even if the principal sum was paid before judgment as long as proceedings for the enforcement of the debt had already started. Those who sue will be entitled to interest, the rest only if they provided for it in their contracts.

The Government seems to have been swayed by the argument that in business everyone is both a creditor and a debtor and that the introduction of statutory interest would only bring extra work to the accounts department

The fallacy of such an argument is obvious. Even within the confines of inland trade, the absence of a statutory obligation to pay interest on overdue debts is bound to slow down their payment and to increase the dependence, of at least some parties in the chain, on bank credit. When interest rates are high this cannot fail to have an inflationary effect.

Moreover, it is mostly the weaker party which cannot afford to antagonise its customers by starting proceedings for the enforcement of debts. Availability of credit to such small businesses is limited, and the delays in payment, from which their customers profit at a rate of 15-20 per cent per year, may prevent an expansion of their activities or even strangle the business altogether.

Even assuming that businessmen can look after themselves, there is the entire sector of private claims for damages, mainly against insurance companies, to be considered. When it comes to a trial and damages are awarded, the claimants will be awarded interest from the time they suffered the loss or *injury; but if they settle their* claim without litigation, they are not entitled to interest even though after some years of negotiations the compensation they received is devalued by inflation.

Anyone who wants to see the havoc which the absence of entitlement to interest for overdue debt causes to commerce should read the Court of Appeal judgment in *Tehno-Impex*.* The question before the court was whether an arbitrator may award interest on demurrage—delay in port—which was paid to the shipowners with a considerable delay. The arbitrator refused to award interest on the late payments but added: "I wish to make it clear that the rule, if it be the rule, that in the absence of a term in the contract to the contrary effect, a debtor can delay payments as long as he likes, and can avoid liability for interest by paying the principal sum at any time, is one which does not accord with justice nor commercial commonsense, especially in times of acute shortage of cash." He clearly hoped that the court would overrule him.

In the Commercial Court, Mr Justice Parker confirmed that this, indeed, was the rule

When the case reached the Court of Appeal, Lord Denning said of debtors who rely on this rule: "They delay for months before a writ is issued, then they delay for many more months until the action is about to come to trial; then they pay the principal at the last moment before judgment, and thus they get out of paying any interest. Such unscrupulous conduct should not be allowed in commercial arbitration: it can be done by holding that the rules in the common law courts do not apply to arbitrations."

The Bill now before Parliament will authorise the courts, and one can assume that this will automatically extend to arbitrations, to award the payment of interest after the proceedings for the enforcement of debts have started, but it will still allow the unscrupulous debtor to get away with delays, however great, as long as he pays before proceedings are started.

Lord Denning's judgment was designed to remove the absurd difficulty, at least from London arbitration. He held that the arbitrators in the City of London were not bound by the strict rule of the common law courts or of the statutes applicable to them. They had a wide discretion to award interest whenever it was just and equitable to do so, no matter whether the principal sum was paid before or after the arbitration had started or before or after the award was made.

By contrast, Lord Justice Oliver said, in essence, that a rule is a rule is a rule, however "curious and regrettable and offending to one's sense of justice" the result might be. As the opinions of Lord Denning and of Lord Justice Oliver were so totally opposed to each other, it was left to Lord Justice Watkins to sway the balance. He held that the arbitrator had the power to do justice and apply common sense to the owner's claims — but only through the Admiralty jurisdiction.

The net result of the Court of Appeal judgment was, therefore, that marine arbitrators could do justice and apply common sense in the matter of overdue payments but other arbitrators could not. The judgment left untouched the impotence of judges to do justice in such cases. And if the Administration of Justice Bill is not suitably amended, they will have to go on giving their *regretful judgments* for many more years.

* *Court of Appeal, London, Tehno-Impex v. Gebr. van Weelde Scheprvaartkantoor, BV FT European Law Letter, April, 1981.*

RACING

BY DOMINIC WIGAN

TOBY BALDING, whose Weyhill stable has enjoyed more success at Taunton than on any of the country's other 58 courses over the past few years, ought to be among the winners there again today. In addition to saddling the in-form Sanhedrin for the Burnham-on-Sea Hurdle, Highland Wedding's trainer runs Hopeful Answer in the Glastonbury Handicap.

Sanhedrin, the four-length Newton Abbot conqueror of Quazar Light last spring, returned to winning form for the first time since that success at Kempton on February 5.

A bold showing on the Sunbury course was clearly expected, for after entering the betting for the Wavendon Opportunity Hurdle at 6-1, the Weyhill chestnut was promptly backed down to 4-1. His supporters never looked like being disappointed.

Sent into the lead at the final flight, Sanhedrin was driven clear to record a 1½-length success over Manston Marauder.

Hopeful Answer, whose task in the Glastonbury Handicap has also been eased through some unexpected withdrawals, is another coming back to his best. Partnered by the stable's principal rider, Brian Reilly, the compact Canadian-bred gelding should be able to cope with the possibly race-weary Deer Mount at a difference of only 1 lb.

Those backers, myself included, who had hoped to see the consistent Mr Oryx take a hand in the finish to the gruelling four miles one furlong Brooke Bond Oxo National at Warwick last month were to be disappointed, for the Droitwich 'chaser was a spent force before he was brought down at the 19th fence. I expect it to be a *different story today.*

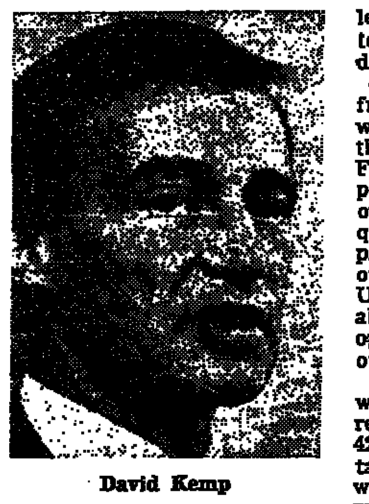
TAUNTON
1.45—Somers Heir
2.45—Mr Oryx**
3.15—Sanhedrin*
3.45—Hopeful Answer***
SOUTHWELL
2.30—Auckland Jack
3.00—Hyde
4.00—Horkey

THE MANAGEMENT PAGE: Marketing

EDITED BY CHRISTOPHER LORENZ

Why Damart warmed to mail order

The thermal wear company believes its real strength lies in its list of 10m addresses. Ian Hamilton Fazey reports



David Kemp

THE STAIRCASE to David Kemp's office in Bingley, West Yorkshire, is dominated by a mural that is a stunning testimonial to his company's main product. The mural is a blown-up photograph of Dougal Haston on top of Mount Everest. In the bitterly cold hours that followed the ascent, Haston and his partner Doug Scott survived the highest overnight bivouac known to man and returned with the film to tell the tale.

Underneath the picture are the signatures of the members of that 1975 expedition. The product that they were all happy to publicise is the one most readily associated with the company Kemp manages: Damart, makers of thermal underwear.

Kemp says: "When we started in Britain 16 years ago everyone said our product was on the way out. People actually laughed in our faces when we tried to get both the capacity to make it and the retail outlets through which to sell it. But just look at us now!"

The company has grown from zero in 1966 to a turnover exceeding £30m now. Growth was slow at first, so that the great surge forward has nearly all come in the last 10 years, when sales increased 30-fold.

The company is privately owned by two Swiss businessmen who not only remain strictly anonymous, but also refuse to take any dividend. The corporate rule is that all after-tax profits must be reinvested in the business. Kemp will not say what those profits are, but maintains that his biggest problem now as managing director is what to do with all the money.

To solve the problem Damart has just made a crucial corporate decision: it is in the thermal underwear business only because that is where it started, and that is the market it dominates; the business it is *really* in is mail order.

Why it is in mail order at all derives from those early days of being laughed at. Since retailers would not stock Damart's warm undies, the company had no choice but to sell direct to the public. It started by advertising in newspapers and magazines read by those it considered its prime market — the middle-aged, elderly and people in remote areas who worked outdoors, such as farmers.

The response from these adverts gave the company its first mailing lists for repeat business. Word of mouth recommendations added more, and so the records of names and addresses gradually built up. The extent to which they have now snowballed is told in one startling figure: Damart's computers now contain nearly 10m addresses, or, about 40 per cent of all the households in Britain.

This data, and how to use it, will be the key to what Damart will be doing in the 1980s.

Damart's origins lie in France, where the textile industry has seen probably as much trouble as Britain's. A mill looking for new products about 20 years ago found that PVC could be produced as a fibre, spun into a yarn and then knitted into clothing.

What made the new textile interesting was its "wicking" ability with moisture. Just as a candle wick draws wax into itself when kindled, conducting it upwards to be burnt in the flame, so did the new textile with sweat driven off by normal body heat.

Everybody loses at least a pint and a half of moisture a day without any exertion and this is usually absorbed by clothing. Damart's garments do not absorb sweat, but "wick" it outwards to evaporate. This leaves a layer of dry air next to the skin keeping the wearer dry and comfortable.

The name Damart comes from Lille's Rue Damartine, where the decision to try out the new textile was made. In France, the company has prospered and is the only Damart one in the world to be publicly quoted. Other users of the process have set up in many other countries, including the U.S., Canada and Japan, and all are privately-owned and operate independently of each other.

Damart's British operation was started by Ken Holden, who retired last year. Kemp, now 42, was a management accountant with his own consultancy who joined Damart in 1969 as manufacturing director. He spent two years as Holden's assistant before succeeding him. Neither has ever held equity in the company.

Although its headquarters are in Yorkshire, Damart makes most of its garments in Bolton. The company has other mills in Wigan and Leicester and employs about 800 full-timers and 300 seasonal casuals.

The French connection remains only through France being the source of PVC fibre. Damart sells this to local Yorkshire spinners and buys it back as yarn for knitting into what it calls Thermolactyl garments.

The production cycle takes about eight weeks, which is why the cold snaps of last December and January did not see Kemp stepping up production.

Outsize

Damart's initial strategy was to ensure dominance of the warm underwear market. Since it virtually had the field to itself for several years it was not especially difficult to become market leader. However, the business is inevitably seasonal and tight management was needed to avoid cash flow problems until profit margins grew large enough to sustain the company through the spring and summer.

Competition in the warm underwear market is now more intense, but Kemp remains confident of Damart keeping its share of the expanding market. His own counter-attack in the high street has been to open 20 outlets of his own in the last few years, aiming for one in every major conurbation; its most prestigious site is at Oxford Circus.

The company's first annual priority is to make the stock of warm underwear that provides its bread and butter. However, there are now spare resources and Damart has started using them for diversification that will go a long way to smoothing seasonal ups and downs.

It already had experience of outerwear: it sells warm clothing through its main catalogue as a natural complement to its underwear. Two years ago it launched a catalogue called Jean Jerrard, selling everyday clothes to the outsize women's market.

Just how successful Jean Jerrard has been is reflected in its rate of growth: turnover rose from £300,000 in the first year to £2m in the second as the catalogue thickness increased from 12 to 36 pages.

Damart's other new catalogue is called Gordale and is aimed at the outdoor activity market of climbers, walkers, riders, joggers, and even outdoor spectators. Turnover of £1m has been achieved in only one year. Damart has also just bought Tartan Cottage, a children's and mothers' mail order fashion business, from that company's Receiver.

The new catalogues are what Damart hopes will provide steady sales across a whole range of markets all the year round. They are, however, only the beginning of the story; three other catalogues are on the way, though Kemp is secretive about them.

He watches his competitors too but has the look about him of a front-runner ready to accelerate his pace the moment one of them challenges too closely. In the mail order business he says that Damart's computerised marketing techniques are among the most sophisticated. To keep them ahead for the next decade, says Kemp, Damart is about to buy a whole new generation of computer hardware and software and develop it further to hone its marketing even more sharply.

Market selection is the key to it all. Traditionally, mail order companies offer a wide range of goods in a single thick catalogue but, since most rely on home agents operating among their friends and acquaintances, they supply a narrow range of customers.

Damart is almost the opposite of that. It already has a very broad range of customers — the 10m households in its computer files. Its strategy will be to produce a series of thin catalogues, each with a tightly defined range of products, and aim each at a specific market identified from those files.

"A catalogue can produce a response ranging from zero to 50 per cent," Kemp says. "Our skill is mailing the brochure only to those addresses that are going to put us near the 50 per cent mark."

How does Damart do it? Kemp says: "I don't like giving too many clues to the competition but actually it's mainly common sense."

Thus, women ordering Damart underwear in larger sizes automatically created a mailing list for the outsize catalogue. Candidates for the Gordale catalogue were picked out from customers ordering certain types of warm underwear favoured by climbers, walkers, riders or skiers.

Number-crunching computing power is the principal technical requirement for picking out common factors that identify any market. Common sense and good management are what identifies where the computer should look in the records to find that market.

Damart is thus in a transitional stage at present. Having got nicely warm, financially speaking, in its winter snuggies, it has now taken its first steps in the new corporate clothing that defines its real business as a mail order company.

ADVERTISING

How pooling of bar-code data will help product promotions

BY DAVID CHURCHILL

FOR THE FIRST TIME, advertisers will shortly have access to extremely accurate sales data on how well their products — and those of their competitors — are responding to advertising and other forms of promotion.

This breakthrough in measuring the effectiveness of advertising has been made possible by the willingness of the leading supermarket chains to introduce new laser-scanning electronic checkout systems.

The basis of these new systems is a special 13-digit number unique to each type of product. Each number is translated into a bar-code consisting of a series of short black lines of varying degrees of thickness printed on each product.

When the product is passed over a low-power laser scanner built into the checkout, the bar code is identified by an in-store computer which records the sales data and flashes the product price back to the checkout.

No price is given on each product but customers get an itemised till receipt which gives details of the product bought and its price. Surveys so far have found surprisingly little consumer resistance to the lack of price marking on products, although stores have helped by clearly marking prices on shelves.

Donald Harris, Tesco's director in charge of its new scanning installations, points out that "both sales and deliveries of each item will be captured, thus providing the basis of a stock replenishment system but also, just as important, to create a sales databank for the trade."

At present only about a half-dozen or so supermarkets are using the system but, by the end of this year, there are expected to be at least 25 or so stores across the country using the new technology. Tesco alone expects to have 15 such installations this year.

The speed of the new systems being introduced depends on the volume of grocery products carrying bar-codes. At present, about 60 per cent by volume of all grocery products carry a bar-code, but this is likely to rise to about 70 per cent later this year.

Both retailers and manufacturers, however, have for long realised the implications of the pooled data from the various scanning systems. Manufacturers, for example, would be able to calculate the effectiveness of different advertising strategies, pack designs, and in-

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store promotions. More accurate assessment could be made of customer response to special offers, free gifts, price increases, and new packaging.

Consequently the Article Number Association, the trade body responsible for allocating product numbers, has for some time been negotiating a system of making bar-coded data available to participating companies. As a result of its efforts, the ANA has just agreed with the A.C. Nielsen market research company to set up a central independent clearing house for the sales data collected by retailers.

Jeremy Grindle, a J. Sainsbury director and chairman of the ANA, claims that "we are the first article numbering authority in the world to agree a method for using the wealth of information that will become available through scanning."

Under the Nielsen agreement, a pilot study will be carried out later this year to establish the data requirements. Full implementation of the clearing house will be at the beginning of next year. At first Nielsen will offer a basic package of data, such as a manufacturer's own brand performance in comparison with other brands, but eventually the clearing house will be able to offer more sophisticated analysis of data captured.

Some of the implications for the advertising and marketing worlds were spelt out recently by Charles Auld of Spillers Foods at a Marketing Society conference.

- Range rationalisation: scanning will mean the end of many "me-too" brands since the data may show the weakness of products launched to emulate more successful brands. "At the same time, however, retailers must be persuaded not to destroy consumer choice by wholesale withdrawals of minor brands," says Auld.
- Brands versus own labels: in the U.S., scanning has accelerated the growth of own-label at the expense of main brands. Scanning data enables retailers to measure the impact of lower-cost own-label products in comparison with higher-price brands.
- Regionality: scanning will enable retailers and manufacturers to establish which areas of the country respond best to particular products and advertising promotions.
- New product development: retailers and manufacturers will be able to identify successful new products at an earlier stage, giving them greater confidence to promote the product and thus help achieve its success.

Other benefits available to retailers will accrue from detailed analysis of product movement, enabling a retailer—on a store by store basis—to allocate more shelf space to each line and the best location for each product.

In brief . . .

THE failure of the Press to adapt to changing market conditions was one of the key trends to emerge from last weekend's 'Admap' conference held in Rome, writes Harold Lind.

Papers and presentations at the conference gave the impression that the non-Press media were adapting to change, while the Press, believing that the future prospects for the industry could not be as bad as at present, was not.

Most media were producing constructive ideas for increasing their markets, which may or may not work out in practice, but were at least well worth examination. The Press, however, seemed engrossed in the effort to extract an extra ounce of advertising with an extra pound of promises.

The long term problem facing the Press in advertising terms was that if there were to be a proliferation of new media opportunities it was clear that extra money had to be generated to pay for them.

The major impression from the conference papers was that most media were entering the fight with enthusiasm as they considered in fascinating detail developments which might not become significant in the UK for many years, if ever.

Nevertheless, they assessed the marketing opportunities which would become available, and discussed the research techniques needed to persuade advertisers that such opportunities were real. In the absence of such constructive thinking, and the provision of reliable evidence, the Press could hardly complain if their advertising revenues failed to keep pace with their ever-growing need for money.

●

PHILIPS Video has appointed Pincus Vidler Arthur Fitzgerald to handle its £500,000 advertising account for black and white televisions and video games.

The move follows the switch earlier this year of Philips' colour television and video recorder account to Leagas Delaney, which is finalising a £4m campaign due to break in May.

Lyttelton

Colette by ROSALIND CARNE

A one-woman show devoted to a literary and social legend offers, at best, two gifts. It may act as a taster to the writings, in this case some 73 volumes of fiction and autobiography, aside from the delightful letters. More often it serves as a performer's showcase, and, with her emphasis on the sexual and the unconventional, this is the salient factor in Patti Love's nevertheless winning adaption from the life and works of Colette.

At the age of 19, Colette married Henri Gauthier-Villars, then aged 32 and better known as Willy, the man who made her a writer, principally by locking her in a study for four-hour sessions when he discovered the market potential of her spiced-up schoolgirl reminiscences, the tales of Claudine. Ms Love presents him as a gruff and lecherous taskmaster, almost a caricature of the scheming entrepreneur whom even his bitter ex-wife allowed a high degree of intelligence. She renders the young heroine with affection, building her into a thoughtful if dotty eccentric, and the element of youth is strong throughout.

This enfeebles the closing sections where Colette lies dying on her Paris chaise-lounge, and, despite the undoubted whiff of magic on stage, the woman she presents never quite reaches maturity. Nor can she evoke Colette's quasi-mystical sentiment for the landscape of her childhood, for animals, for her mother, her life's most powerful influences.

It would be churlish to bemoan omissions in an hour-long platform performance. Impeccable movements, details of dress and make-up and tasteful furnishings, only hint at the cerebal side of this redoubtable lady, with her genius for describing the essence through the smallest particulars, for observing the pain behind the exquisite drapes. But this is an actor's occasion. Anyone with the slightest knowledge of, or interest in, Colette will suffer mild disappointment and return to the books in relief.

The theatre in Israel

by OSSIA TRILLING

The Seventh Congress of the International Association of Theatre Critics, in Tel Aviv, provided an opportunity for a record number of colleagues from 25 countries to see something of the new mood in the country's theatre. Much has changed since my last visit. Today there is the ever-expanding fringe, both commercial and subsidised; there is a new wave of native drama, much of it highly contentious; and there are the new immigrants from Asian and North African countries, who have yet to learn what the theatrical experience is. They make up about half of the population, so that the theme of the congress, about the problems of the new audience, could not have been better chosen.

In 1965, with a handful of exceptions, performances were confined to three theatres: the Habimah, the Cameri and the Haifa Municipal. Founded in Moscow by Stanislavsky and settled in Palestine in 1928, the Habimah National Theatre, as it became in 1957, reflected its foreign origins and influences for many years, as those who saw *The Dybbuk* at Sir Peter Daubeny's World Theatre Season in 1965 will know.

Today it is more truly national and even flourishes as an exporter of culture. Two examples are last summer's European and North American tour of an adaptation of the Nobel prize-winner Shmuel Agnon's tale of a young idealist in a hostile world of materialism *A Simple Story*, staged by Yossif Yizraeli, and the same director's staging of a musical about Hassidism, with a score by Hana Hacohen, in Heidelberg last month.

Today the Habimah is a recognisably Israeli theatre, and it is promoting a new generation of native directors, too; one is Michael Gurevitch, who made his debut with *Accidental Death of an Anarchist*, starring Yehuda Efroni, and *Filumena Marturano*, starring Lea Koenig, both in repertoire during the congress, alongside Joyce's *Exiles*, and the Austrian Peter Turrini's operatic jape, *The Marriage of Figaro*. Euripides' *Medea*, starring Miriam Zohar, and staged by the Habimah's artistic director David Levin, and Jean-Claude Grumberg's *The Workshop*, two other foreign dramas in the current repertoire, are a reminder that with Habimah "national" means "international." But even the 37-year-old Cameri, which also made its mark at the Parisian Theatre of the Nations and in London (in 1967), is far from insular in outlook. Its prolific resident dramatist, Hanoch Levin, appears to have few if any rivals on the establishment scene.

His horrific dramatic parable called *The Sorrows of Job* combines the horrors of its Biblical model with those of Artaud's Theatre of Cruelty in an ultra-modern manner. What potential immigrant theatregoers from north Africa would make of it, if they ever got as far as seeing it, is another story.

What they do see, or should see, even on a minimal scale, provided material for useful debate at the congress, and showed what both private enterprise and the authorities can do to popularise theatre. The Association for the Advancement of Art, that also funded the congress, resembles our own Arts Council in supporting all the arts, the theatre foremost among them.

The most unusual feature of a privately produced tour of a version, by Hillel Mittelpunkt, of Willis Hall's *The Long and the Short and the Tall*, was not that the story of a British wartime patrol in Japanese-occupied Malaysia had been switched to present-day southern Lebanon and that the Japanese, whose capture plunged the British into a dilemma that led to their deaths, was turned into a Palestinian.

What singled out the play from many others dealing with Israel's security and the prevailing militaristic atmosphere, was that it was touring schools, clubs, outlying farms and settlements—where the players met and discussed the implications of the plot both before and after the performance notably with first-time north African spectators—but even, Army camps. If fighting men and women can be exposed without fear or favour to the criticism of military codes and practices that Messrs Hall and Mittelpunkt offer in the play, the Israeli concept of a citizen army would seem to be truly Cromwellian.

Elizabeth Hall

Manchester School

by DOMINIC GILL

The second of the three concerts which go to make up the splendid series devoted by the London Sinfonietta this month to the three principal composers of the "Manchester School" found its centre and closest focus—some would say, like the "School" itself—in the three works by Harrison Birtwistle which opened the programme.

Nothing else of the evening was so memorable, or so sharply etched, as these: the delightful *Carmen Arcadiae Mechanicae Perpetuum* written for the Sinfonietta's tenth birthday in 1978, half jocular, half wry, a magical recipe of instrumental incantations; the recent *Pulse Sampler* for solo oboe and pair of claves, mesmerising little etude in poly-tempi, slight in size, but of remarkable pungency; and Birtwistle's *Tragoedia* of 1965. To hear *Tragoedia* again after so many years is to realise just how seminal a work it is in the context of Birtwistle's development—music which is wholly and unmistakably his own, in idiom, in method and above all in sonority, the springboard base for almost all that he has written since. Every conflict has its own flavour of ritual and masque, of almost Stravinskian detachment. Textures are bright, tinsel-sharp; the mood is sometimes angry, sometimes melancholy, always dynamic; the surface of the music is taut as a drum.

Beside it, the careful propositions of Alexander Goehr's *Concerto for 11*, written in 1970, seem no more than genial diversions, elegantly dispersed. And even Maxwell Davies's fine essay for 15 instruments, *A Mirror of Whitening Light*, seemed to suffer a loss of heart from the proximity—in the urgency and density of its symphonic argument a true precursor of the two symphonies: but in place of tautness, a wild chase of shadows and reflections, a shimmer of ghosts, unresolved.

Eileen Atkins

Leonard Burt

Yvonne Arnaud, Guildford

Hedda Gabler

by MICHAEL COVENEY

Hedda Gabler is the role that all actresses entering early middle age with a certain clout feel entitled to embrace. In the past ten years, I have seen Jill Bennett, Glenda Jackson and Janet Suzman exercise the privilege. Now Eileen Atkins enters the lists, and she can certainly hold her own in that company. This is a remarkable performance. When Judge Brack asks her why she has married the bookish pedant Tesman, Atkins shrugs her shoulders and fixes the house with a chillingly casual stare: "I'd danced myself to a standstill. My time was up."

This Hedda is a desiccated tease, a weird ginger-mopped shadow of the red-headed singer who is apparently eclipsing Mrs Elvsted in Lovborg's affections. That singer, of course, is the hostess at the offstage bachelor soirée where Lovborg loses his manuscript. And when the young prophet comes moaning about his loss, Atkins unleashes a furious "It was only a book!" before inviting him to retreat and do something beautiful, like kill himself.

After that extraordinary exposition where Tesman's academic ambitions are confused by his Aunt with the making of children, Hedda rushes upon us, an obscene travesty of the honeymoon bride. She is bored, bad-tempered, sarcastic, and restless. Atkins seems not to look at anyone, entwining one set of boney fingers with another, trying desperately to envisage where on earth all of this will lead.

Every stage in her journey is faultlessly plotted. There is an accumulating sense of Hedda signalling hopelessly from the peak of two overlaid triangles: she forms one with Tesman and Brack (at the latter's suggestion, of course), the other with Lovborg and Mrs Elvsted. The complicated subtleties of this geometric jostling work brilliantly in John Dove's production. And once Tesman and Mrs Elvsted find a common purpose in resuscitating Lovborg's work, once Brack has used the threat of a scandal to ensure his *macho* stance of sole bull in the ring, Hedda can only function by destroying the emotional artefact.

This does not prevent her from worrying about what the neighbours will think of raised voices; or from being finally sympathetic to Aunt Julie's bereavement. These touches give real strength to the overall interpretation. Karl Johnson's ferocious Lovborg interestingly reverts to the alcoholic shakes the minute Hedda betrays Mrs. Elvsted's trust.

Julian Glover finds Tesman's comic centre by describing Hedda's vandalism as "the illegal disposal of lost property." Peter Jeffrey is a silkily plausible Brack, and Elizabeth Estensen a chipper, touchingly pathetic Mrs Elvsted.

Christopher Hampton's translation, done for Stratford, Ontario, in 1970, is noticeably good in the opening of Act 2 (Hedda tells Brack she is fed up with hearing about civilisation from morning till night) and generally fluent. But poor old Tesman is stuck with "Think of that, Hedda" throughout. People don't *say* that kind of thing.

Record Review

Tristan and The Ring

by MAX LOPPERT

Wagner: Tristan und Isolde. John Mitchinson, Linda Esther Gray, Anne Wilkens, Philip Joll, Gwynne Howell/ Welsh National Opera Orchestra and Chorus/ Reginald Goodall. Decca D250D5 (5 records).

Wagner: Der Ring des Nibelungen—Das Rheingold. Philips 6769 070 (3 records). Die Walküre, Philips 6769 071 (4 records). Siegfried 6769 072 (4 records. Götterdämmerung, Philips 6769 073 (5 records) Donald McIntyre, Gwyneth Jones, Manfred Jung, Hermann Becht, Peter Hofmann, Jeanine Altmeyer, Heinz Zednik, Fritz Hübner, Hanna Schwarz, Matti Salminen, Gwendolyn Killebrew, Ortrun Wenkel, etc./Bayreuth Festival Chorus and Orchestra/Pierre Boulez.

The Welsh National Opera's *Tristan und Isolde*, first shown in Cardiff in September 1979, and subsequently relayed across the country for two seasons, counts as one of the British Wagnerian's highest highlight of the postwar decades. Now, in the best way, it has been captured on record—an interpretation of profound wisdom and unforced authenticity mettled and matured in the theatre, then put on disc in the studio, where details small and large can be got right. As one who thrilled to Reginald Goodall's command of the opera on three different occasions, I expected to admire the new issue. To be once again engulfed in the experience was something of a surprise, albeit of the happiest kind.

That very first Cardiff *Tristan* knocked sideways the notion of Goodall as a Wagnerian unvital as well as "slow" — Act 1, in particular, pulsed and surged forward with almost unbearable intensity. In subsequent revivals the surge was felt to be somewhat moderated; on records it returns at full strength. It is not just the first act that gathers from a slowly unfolded start towards huge climaxes carefully and lovingly prepared; above all in the long third, the sense that the drama is rising with imperturbable momentum towards culmination proves overwhelming. Fürtwängler's famous *Tristan* recording imparts this (and has, in Kirsten Flagstad, an Isolde of native majesty beyond compare); none of the other modern versions of the opera comes near it.

Certainly not the feverish Böhm, or Karajan "emanating" (according to Robin Holloway in *Opera on Records*) a "glacial chill" from out of its disturbingly artificial, knob-twiddled sound perspectives. Goodall's Wagner is essentially lyrical. Everything sings, at all levels, and if passages of orchestral full cry underline here and there the limitations of the Welsh brass and low strings by comparison with the old Philharmonia, Bayreuth, or Berlin forces, the translucent web of counterpointed instrumental voices (how meaningful the tired old metaphor becomes in any Goodall review!) sheds a glorious radiance on passage after passage.

The Decca recording is digital; and it affords one of my own small criticisms of the set: for while the sound picture can be accounted scrupulously clear in every detail, its composition of voices and instruments emits an airless, "pre-packaged" aura that is the antithesis of the conductor's approach to music-making. Where in the theatre one of the subordinate, not unimportant pleasures was the discovery, in Linda Esther Gray and John Mitchinson, of two British Wagner voices genuinely capable of riding the orchestral wave, by the recording that pleasure is diminished — the voices sound "fed in," not fully integrated within the instrumental plane of sound. The recording engineers seem, in addition, to have lent the soprano's bright edge of tone in high phrases a quality approaching rawness. Noting this, one notes more than formerly her very variable German diction, clean at some moments, jellified, with persistently umlauted vowels, at others — a phrase like "Seine Elendes jammerte mich" readily become a warm gurgle.

This said, we can still acclaim a marvellously lambent, romantic Isolde, blazing with youth, naturalness, and emotional candour, quick in musicianly response — the generous portamento never "applied," always part of the emotional expression — and fresh to the end. Mitchinson's tenor, now noble in its amplitude, now rather thick and unwieldy, is not a "recording voice"; his growth in the great part since that inertly respectable first encounter has been remarkable, and leads here to a third act wholly felt and powerfully communicated. Anne Wilkens' compact, not very floated Brangäne and Philip Joll's Kurwenal are by no means cyphers; the old king of Gwynne Howell elicits much of its familiar grave and fastidious restraint alongside unfamiliar patches of slightly uncertain intonation.

The latest complete *Ring* on records comes also, of course, from live performances—the centenary Bayreuth staging by Patrice Chéreau, first given in 1976 and annually for the next four seasons. *Götterdämmerung* was recorded (in analogue) at the 1979 festival; the other three parts come (in digital recording) from the final, 1980 revival. What I felt after experience of the 1977 Bayreuth *Ring* was that the famously controversial production—incoherent, contradictory, with moments of unforgettable illumination and dramatic insight—stood no real chance of establishing itself to a new conductor was invited to take over the musical direction from Pierre Boulez.

Needless to say, that didn't happen; but one held out hope, against all the evidence, that in the intervening period Boulez might have learned how to conduct Wagner. Alas! preserved by Philips is the depressing reality—that, if anything, the performances actually got worse. A long Boulez essay, first printed in the Bayreuth programmes and now republished in the lavishly illustrated book accompanying the Philips package, asks early the crucial question: "Can we not lose sight of the circumstances (of history, tradition, etc. by which any work of art is surrounded), banish them from our memory, bury them in oblivion so as to find our way to the work solely by virtue of its inner qualities?" In the event, the banish-tradition approach appears almost a kind of special pleading to disguise, or at least make irrelevant, Boulez's essential inadequacies as a Wagner conductor.

But even if one could take the question seriously, and answer it positively: even if one ignored the substantial extant *Ring* discography: even if simultaneously Goodall's *Tristan* had not come so unkindly to hand; I believe that it would still be possible to analyse from the evidence, to enumerate and pile high, a list of those inadequacies. Inability to phrase a melody; inability to make continuous textural sense of Wagner's instrumental writing; inability to sustain long, slowly growing structures by means of rhythmic command; inability, or else unwillingness, to support and respond to the activities of the voices; above all, no discernable evidence of emotional commitment—it is distressingly heavy indictment. Against it, the clarity of detail that Boulez unfailingly secures, the frigid excitements achieved in fast-moving, or *scherzoso* music, the clearing paths for textural audibility, are virtues that mitigate only very lightly.

Away from stage, and apart from the conductor, it is of course the singers who matter most. Even were it possible to exclude from consideration Boulez's dominating influence, this must still, to my ears, be judged one of the worst-sung Wagner issues in gramophone history. Scratching around for extenuating features, one might conceivably praise McIntyre's Wotan for its phrases of ringing command (the wooden quality of voice and personality keeping him an appreciable distance from greatness). Jung's boyish Siegfried for "staying the course" despite the limitations in size and quality of his tenor, and Zednik's Mime for its moments of keen wit (on records the tonal thinness soon begins to grate); Norma Sharp's Woodbird and Siegfried Jerusalem's Froh are very pleasant.

For the rest, a concatenation of variously modest attainments, an impression of overriding neutrality—little beauty of tone, notes and words for the most part precisely uttered, the great story blankly told. Exceptionally, Gwyneth Jones's Brünnhilde is not a neutral creation; but of her singing it is hard for the Wagnerian with Leider, Flagstad, Nilsson, and Rita Hunter in his mind's ear to describe temperately. As an historical document, there is a case to be made for the perpetuation on a library shelf, of the centenary *Ring*; but to what prospective "ordinary listener" could one honestly commend such a trivially conducted, poorly sung performance?

Arts Council funds research project in Bristol

The Arts Council is funding a research project which will survey and report on all existing professional arts provision within the city of Bristol.

The project, starting this month, will take eight weeks, and is being conducted for Bristol City arts and leisure committee. The report and its recommendations will also be studied by the Arts Council and South West Arts.

The project will be conducted by Hazel Kirkman from Cardiff, a freelance arts consultant and a former visual arts development officer at the Welsh Arts Council.

THEATRES

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F.T. CROSSWORD PUZZLE No. 4,801

ACROSS

1 Fizzy drink the upper classes intermix with brandy for common people (8)
5 One way up I had to follow, but it's senseless (6)
9 Deduct it from service provided by a type of Chinese shop (4, 4)
10 Started without issue and telephoned (6)
11 Star healed and preserved as fruit may be (3-5)
12 Bachelor in attempt to become clannish (6)
14 Decline that jockeys don't like (7, 3)
18 Dwarf accepting roast mixture could be an epicure (10)
22 Is a metal an indigo product? (6)
23 Animal to put a bet on before leap (8)
24 Soldier in cart returning—it's disastrous (6)
25 Contend to fight for a cause (8)
26 Jacket for a midshipman? (6)
27 Of necessity, according to influence (8)

DOWN

1 Alkali obtained from drug found on tree (6)
2 Making thrusts, but it's petty (6)
3 Measure taken by association? (6)
4 Talk with girl—about an item of jewellery? (10)
6 Record sound from telephone, it's coming to a point (8)
7 Wherein Shakespeare's works are contained, or it could be a child's primer (8)
8 Follows an existence that's a wretched and miserable one (4, 4)
13 Type of orange for a miner's daughter (10)
15 Silver paper thrown away is sparkling (8)
16 Get away without notice in adventure (8)
17 Trickery, an ingenious expedient (8)
19 Soldiers willingly aid in danger (6)
20 Doctor takes two gases and the product of the Angora goat (6)
21 Regard with high respect always in Royal Exchange (6)

Solution to Puzzle No. 4,800

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Thursday February 18 1982

Good ideas in a mean offer

THE GOVERNMENT is not waiting to hear from Sir John Megaw before putting forward its own ideas on how Civil Service pay should be determined. Its new offer, ranging from zero for new recruits to 5½ per cent plus enhanced special allowances for key computer staff, is intended to be the start of a restructuring process. Pay for the most basic skills would reflect broad labour market conditions, but higher up the scale there would be more recognition for experience and special skills — notably where the Civil Service is competing for skills which are scarce even in present conditions.

These objectives are logical, and ought ideally to be fairly uncontroversial; but in the form of this year's offer, they are likely to arouse bitter resentment, because for the second year running the offer is well below the going rate in private industry. As is perhaps inevitable, the theoretically separate issues of the structure of Civil Service pay and its level compared with the private sector are inextricably confused.

Recruits

So far as structure is concerned, some of the principles implied in the new offer deserve support. In particular, the Government has frequently made clear its view that pay for young untrained recruits in the economy generally has been forced up to quite unrealistic levels, compared with the earnings of experienced and productive workers, or with the relativities found in other countries. The trade union fear of "dilution" is seen as a major cause of youth unemployment. The scheme for new youth jobs in private industry is deliberately intended to foster a new attitude here, and it is natural that the Government should apply the same principle to its own employees.

What is not so clear is that the same rather Procrustean rule should apply to adult recruits, who are likely to have adult responsibilities to discharge. The popular idea of an overpaid bureaucracy hardly fits the case of adult clerical workers on a salary of less than £4,000 a year. It is not clear that it is reasonable to ask such people to take a real cut of more than 12 per cent this year. It was with with this problem in mind that the union side had asked for a settlement structured on a cash minimum — the usual formula for helping the lowest-paid at some expense in differentials.

Objective

However, no offer that the unions would have considered remotely satisfactory could be contained within the £170m which the Government wants to make available—fairly closely in line with its 4 per cent public sector pay objective. The unions will see this as the main issue. They are unlikely to be in a mood to join in a rational discussion of pay structure faced with a second successive cut in their relative rewards. Last year's cut is put by the unions at 4½-5 per cent.

It is widely argued that the old comparability levels, restored (and in one or two notorious cases exceeded) by the Clegg awards, were unrealistic, and gave inadequate weight to job security and pension rights: but this is not the same as rejecting the whole principle of comparability. We would repeat, as we argued when the 4 per cent limit was announced, that Civil Service pay negotiations should not be used as a battering ram in general drives for moderation.

Depressed

Market conditions provide little rationale for depressing relativities, since the general level itself is now sharply depressed by market conditions. Civil servants are asked to take a further relative cut at a time when real incomes are already falling sharply. They may well be unwilling to take their resentment into industrial action for a second year: but in the longer run, as Mrs Thatcher was reminded in her first year of office, there is liable to be a large bill to settle.

Syria's cycle of violence

THE SYRIAN Government is facing the greatest threat to its existence since President Hafez al-Assad came to power in 1970. For two weeks it has been battling to regain control of Hama, one of its largest cities, taken over by the fundamentalist Moslem Brotherhood and their supporters. Hundreds have died in the fighting on both sides and even now the regular army is coming under sniper fire. It is becoming clear that events in Hama amounted to a popular uprising, in part provoked by the ferocity of the Government's counter-terrorist measures.

Explosions

The Government faces a series of overlapping dangers. The Moslem Brotherhood has developed into a powerful force since 1976 and received a boost when Islamic fundamentalism triumphed in Iran. It has waged a campaign of selective assassinations against Syria's ruling Ba'ath party and members of the army. This provoked ruthless counter-measures by the regime. Its praetorian guard, the special forces commanded by Mr Rifaat al-Assad, the President's brother, was unleashed against any sign of opposition. This repression may have created as many enemies as it destroyed, but by early last year the Government seemed convinced that it had broken the back of the guerrilla movement against it.

Doubts about the success of the regime in crushing the Brotherhood were created by a series of massive bomb explosions in Damascus last autumn. The uprising in Hama, always a stronghold of religious orthodoxy, shows that the Brotherhood still has an organisation in being and wide popular support. It may well be that the rebellion was the result of the Government's heavy-handed repression as much as any conspiracy led by Islamic fundamentalists.

Strengthened

The revolt is also evidence of the way in which sectarianism is growing in Syria. The country has always been a chequerboard of religious allegiances. The majority of the population belong to the orthodox Sunni sect but President Assad and the ruling elite belong to the Alawi community which has about 1m members out of a total Syrian population of 9m. The ferocity of religious antagonism makes the country look increasingly like Lebanon.

The antipathy to the Alawi by the majority Sunni community is combining with popular dissatisfaction with the way Syria is run. Corruption is rampant and repression growing. This threat could prove mortal if President Assad is unable to control the army which brought him to power. The discovery last month of a conspiracy within the armed forces, apparently centred in the air force, puts this in some doubt. The Brotherhood is doing all it can to increase sectarian tensions within the forces by singling out Alawi for assassination.

In addition to his domestic troubles President Assad is also facing the strong possibility that Israel will attack southern Lebanon despite efforts by Washington to restrain Mr Menahem Begin, the Israeli Prime Minister. This may not prove to be wholly against the interests of the regime in Damascus. It would allow the regime to call for Syrians to rally around the national flag and to denounce its enemies at home as allies of Mr Begin. The crisis in Lebanon last year, when the Israelis threatened to attack Syrian anti-aircraft missile sites, certainly strengthened Mr Assad's position at home. He might be able to do the same thing again.

Instability

It is much too early to write off President Assad. He is calm, capable and very astute. His enemies within Syria are divided, though the scale and savagery of repression has done much to unite them. In the past many Syrians argued that President Assad, whatever his failings, had at least ended the instability of the 1960s when hardly a year passed without a military coup. The economic benefits of the past ten years, however poorly distributed, have given the regime some popularity.

After the events of the past two years these arguments look much less convincing. But if President Assad does go it is difficult to see how anybody else would be able to form a stable government. Sectarian feuding has grown too bitter. For the moment the cycle of assassinations, repression and sporadic revolt is likely to continue and add another source of instability to the Middle East.

THE SHIPPING SLUMP

Rough seas for a buccaneer

By William Hall

AT 10 am tomorrow morning in a small Swiss village a few miles outside Fribourg, Mr Frank Narby, the 54-year-old head of the Canadian-controlled Cast shipping group—one of the world's fastest growing shipping companies—will sit down at probably the most important board meeting in his buccaneering career.

The problems facing Mr Narby will be familiar to many shipowners and bear an uncanny resemblance to those of Sir Freddie Laker.

Mr Narby and Eurocanadian Shipholdings, Cast's Bermudan parent, are in the midst of a $430m expansion programme, at a time when the bottom has fallen out of the bulk cargo markets and cash flow has been sharply reduced.

The shipping industry is one of the few international industries left where entrepreneurs can start with virtually nothing and make a fortune. By the same token, it is just as easy to lose one, as the cases of Norway's Hilmar Reksten, Maritime Fruit Carriers et al, sadly demonstrate.

To date Eurocanadian has been a major success story. It was established in 1969 with $500,000 capital by Mr Narby and Mr Donald Webster, a member of one of Canada's wealthiest families.

After an initial hiccup in 1971, when some charters had to be renegotiated, this proved to be a great success and the group was soon expanding into the North Atlantic container trades and taking business from the "giants"—Canadian Pacific and Manchester Liners. The only difference was that Mr Narby's ships carried bulk cargoes as well as containers and this cut unit costs considerably. Cast claims that it was this, more than anything, which enabled it to undercut its competitors and grow into one of the biggest operators on the North Atlantic.

In 1975, the year Canadian National Railways bought an 18 per cent stake, Cast carried 38,000 containers across the Atlantic. By 1980 it was carrying 90,000 units and the company decided to double its North Atlantic capacity by ordering six new ships for $180m.

At roughly the same time, the group decided to build up what is arguably the world's largest fleet of combination carriers—ships which can carry either dry bulk or oil cargoes. Initially, Eurocanadian bought seven second-hand ships for $108m and shortly afterwards ordered two new 150,000 dwt combination carriers from South Korea costing a total of $120m.

Freight rates were buoyant and Eurocanadian was confident that its new ships would be ideally placed to take advantage of the expected boom in coal traffic. For every ton of oil displaced, 1.7 tons of coal had to be substituted at the world's power stations and this was going to underpin the bulk cargo markets, so the argument went.

It was here that Cast made its first major mistake. It underlined its faith in combination carriers by buying eight ships from Anglo Nordic (an offshore company in which P & O has a large stake) for $165m in October 1980. With hindsight this coincided with the market's peak. A few months later, Eurocanadian added to its current problems by ordering a third 150,000 dwt bulk carrier from South Korea for a further $60m.

The Anglo Nordic ships, even if they are not proving a drain on Eurocanadian's financial resources, are certainly not helping the group solve its most immediate problem—meeting the progress payments on the new bulk carriers ordered in South Korea. Fortunately, Cast has tied up relatively cheap traditional long-term finance on the six new container ships which will be delivered over the next 18 months.

However, Eurocanadian has not completely financed long-term the three 150,000 dwt combination carriers (it has financed one-and-a-half at the best guess). This, the group's most pressing problem, will be top of the agenda at tomorrow's board meeting.

Mr Narby is confident that the freight markets will recover within the next two to three years and the new ships will make handsome profits. However, in the meantime he wants to defer some $50m of capital payments due in 1982/83.

As if it did not have enough problems, Eurocanadian also has a shareholder, Canadian National Railways (CNR), which appears to be rethinking its whole involvement following the resignation of its chief executive Bob Bandeen last month.

After taking over as chief executive in 1974 Mr Bandeen turned CNR into profit after 20 years in the red, and began expanding into new areas. Shipping was one of the most obvious and he played an important role supporting the growth of Eurocanadian in its early years.

Late last year CNR had to decide whether it was going to exercise its option to increase its stake significantly in Eurocanadian. The Board decided against such a move and shortly afterwards Mr Bandeen resigned, although CNR stresses that there is no connection between the two events.

The net result is that Eurocanadian has lost a valuable friend at court and CNR has made matters worse by getting a court injunction in Bermuda to stop Cast transferring assets elsewhere and has asked for payment in advance before it moves Cast's containers on its railroad.

CNR has not explained why it is taking such a tough line with Cast in which it has a $60m investment and from which it earns $20m a year in railroad revenues. However, it is known that there are a number of behind-the-scenes pressures.

The Government of Nova Scotia, for example, is known to be hostile towards any efforts to help Cast since this could help the Port of Montreal (Cast's port of entry) at the expense of Halifax, one of the biggest Canadian ports. At the same time, there are those who believe CNR should be spending its money on running a railroad and not supporting the speculative acquisition of large bulk carriers.

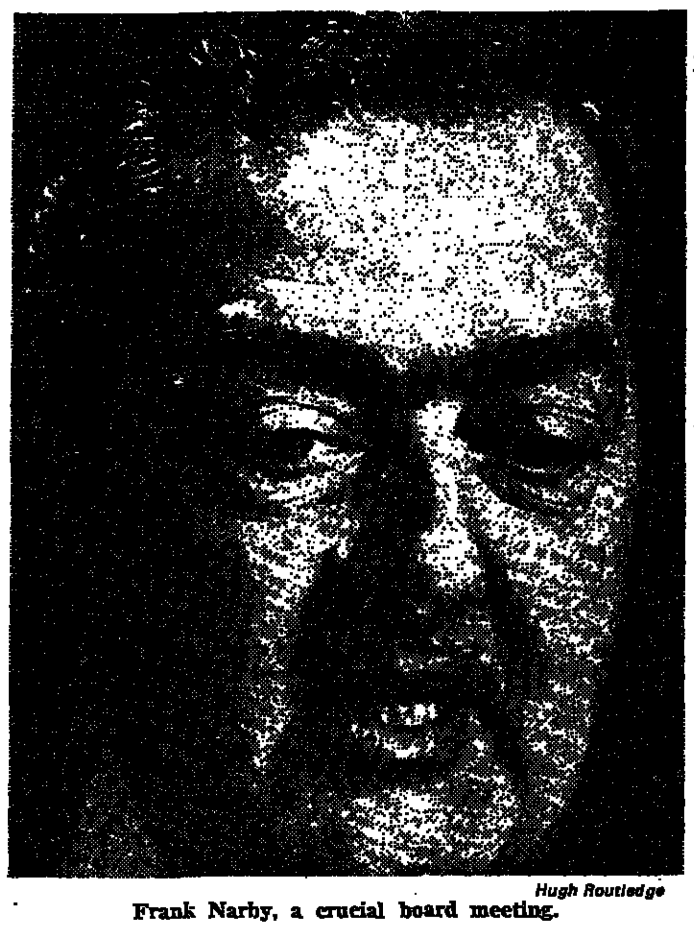
Whatever the reasons for CNR's frosty stance, Eurocanadian now finds one of the keys to its salvation held by what one sympathetic banker calls, a "headless iron horse." No replacement for Mr Bandeen has been found and the vacuum at the top of CNR is contributing to the problems in finding a solution to Cast's difficulties.

Mr Narby hopes that his problems will be solved by the sale of half his North Atlantic container business for over $100m and withdrawal from the rate war which he helped start.

The banks involved are showing some sympathy for Mr Narby's problems although few people would agree with his description of himself as "an innocent bystander clipped by a passing car."

His enemies call him a reckless gambler who went out on a limb in ordering bulk carriers at the top of the market and at a time when he was aggressively expanding his container business.

The truth probably lies somewhere in between.



Hugh Routledge

Frank Narby, a crucial board meeting.

THE MAJOR WORLD MERCHANT FLEETS

(m gross tons)

Liberia*	74.9	(−5.4)
Greece	42	(+2.5)
Japan	40.8	(−0.1)
Panama*	27.7	(+3.5)
UK	25.4	(−1.7)
USSR	23.5	(same)
Norway	21.7	(−0.3)
U.S.	18.9	(+0.4)
France	11.5	(−0.5)
Italy	10.6	(−0.5)
World fleet	420.8	(+0.9)

*Flags of convenience

Source: Lloyd's Register July 1981 figures (change on 1980 in brackets)

MAIN SHIP TYPES IN WORLD FLEET

(m gross tons)

Oil tankers	171.7	(−3.3)
Ore and bulk carriers	87.2	(+3.9)
General cargo	80.8	(−1.8)
Bulk/oil carriers	25.8	(−0.4)
Container ships	12.3	(+1.0)

Source: Lloyd's Register Figures at July 1981 (change on 1980 in brackets)

'Very long and deep and maybe painful for many'

WORLD SHIPPING markets are in a cheerless state these days. Shipowners have tended to become ultra-cautious as freight rates have sunk to rock bottom levels and second-hand ship prices are in the bargain basement.

A year ago, a five-year-old ship of the type designed to go through the Panama Canal—a Panamax vessel of 60,000 deadweight tons or so—would have fetched around $20m. Today, according to London shipbrokers Eggar Forrester, such a ship would be worth only half this.

Freight rates tumbled by up to 50 per cent during 1981 and most experts see no prospect of any real improvement until some time in 1983 at the earliest and more probably in 1984.

It is not only the recession and high interest rates which are affecting markets so severely. Many shipowners ordered over-confidently during the last freight boom which ended in 1980 and these ships are now coming on to a depressed market.

The problems on the tanker side have been well documented recently. More and more big vessels have been scrapped and lay-up figures continue to rise.

In the more fragmented dry cargo markets—where the main products are iron ore, grain, and coal—the effect of low rates is more diffuse and less obvious to those outside the industry.

Mr C H Tung, son of the founder of the C.Y. Tung Group which controls Hong Kong's second largest fleet, said last week that the current shipping recession could be "very long and deep and maybe painful for many."

Speaking at the naming in Glasgow of a Panamax bulk carrier built for the group, he said: "We in the Far East are very much feeling this recession." He saw more promise in the liner (scheduled cargo route) and container sector.

Apart from undercutting entrepreneurs like Mr Frank Narby, whose problems are described above, most of the liner routes are handled by large container consortia who tend to be much clearer about future capacity requirements.

As members of worldwide conferences, which include individual companies, these operate outside the open market within an agreed rate system, though this is also subject to the vagaries of world trade. One modern container vessel can carry many times the tonnage of a traditional cargo ship.

Many of the new cargo ships ordered a few years ago were designed for the coal market, widely thought to be the next boom area for shipping. Long term coal prospects remain favourable, but the rate of expansion is unlikely to be fast enough to fill up all the new tonnage.

One leading firm of Norwegian ship brokers, P. F. Bassoe, estimates that there is a 25m dwt surplus (out of a total of 152m dwt) of dry cargo tonnage, including combination vessels which can also carry oil. A further 25m dwt of new bulk carriers is expected to enter the market this and next year. With world steel production well below capacity, iron ore and coking coal shipments are unlikely to improve.

Mr Frank Chao, another leading Hong Kong shipowner, said yesterday that he does not expect the dry cargo market to recover until around 1984 and only then "provided no more ships are ordered by owners."

Those shipowners with ships uncovered by charterers will be "in a very grave situation," he added. In this respect, he reckoned Hong Kong owners like Wah Kwong, of which he is president, were reasonably well protected.

According to Mr Chao, it is the bigger vessels of between 100,000 and 160,000 dwt which are in the worst situation around the world.

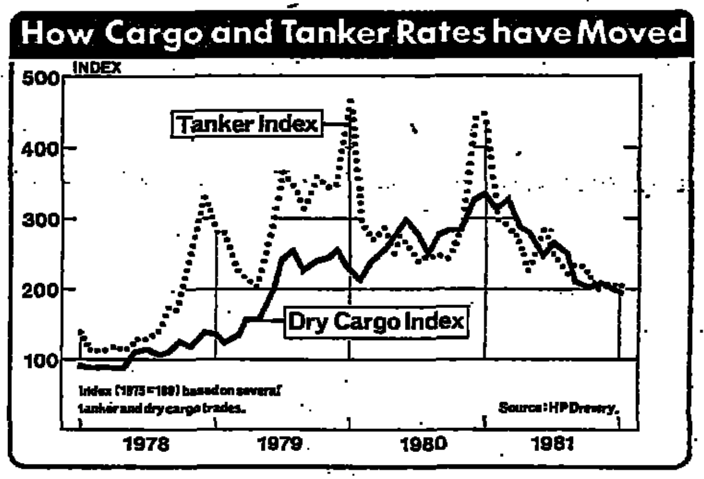
Recent calculations by H. P. Drewry, the UK-based shipping consultants, show just how hard the big ships have been hit. In December 1981, they were able to obtain average freight rates of just under half those of the previous January.

For Panamax ships, the fall was less steep, to just under 60 per cent of the level at the beginning of the year. For his part, Mr Chao said the current difficulties were a "mini-recession." Others are more gloomy.

Drewry said in its latest market summary out yesterday: "The outlook for shipowners remains grim."

Andrew Fisher

How Cargo and Tanker Rates have Moved



Men & Matters

Knight's move

When the whiff of corporate gunfire and big new issue money first attracts a young, newly qualified accountant, it usually draws him to one of the posh merchant banks where the grand financial strategies are usually planned.

Not so Jeffrey Knight. He joined the Stock Exchange shortly after finishing articles in 1966 and has been there ever since. He had some second thoughts about merchant banking in the early years on Throgmorton Street but said yesterday that "the first choice was the right one for me."

Hard to argue with that for he is to succeed Bob Fell as chief executive of the Stock Exchange. Knight has spent much of his time in Throgmorton Street on the Quotations oCmmittee which he headed for five years until 1978.

In 1976, he was appointed joint deputy chief executive with John Watson and has spent the last six months reading himself into the top job. Fell has been in Hong Kong since mid-November introducing London's self regulatory practices to th eColony's volatile stock markets. And at the request of Hong Kong's authorities, the scheduled six-month stay has turned into a permanent posting.

Knight sees his now role as analogous to "the head of the home civil service." Not that he is rooted in the Square Mile. He was in Paris when the news broke yesterday, representing the UK at the Federation Internationale des Bourses de Valeurs.

But events at home will be pulling his attention back to the courts this spring when the criticism from the Office of Fair Trading come to the boil again. Knight's predecessor had done much of the work in preparing the Exchange's statement of case before the rule book comes into the Restrictive Practices Court. The OFT will respond in April and Knight will be expected ot catch what is still a very hot potato.

Out of court

No matter how high-born your name or aristocratic your bearing, if you are an Australian businessman apparently the English judiciary see you as a Foster-swilling beefcake with a cork-rimmed hat.

Robert Holmes à Court was reminded by Lord Justice Lawton yesterday that he was not "a highly polished member of the City of London club."

The Board of ACC had been dealing, said thejudge, with "a different breed altogether—an Australian businessman, and they do not behave and talk exactly like Englishmen."

Lord Justice Lawton's answer to ACC's tangle affairs: "Mr Barry Humphries' friend, the Australian cultural attache Sir Les Pattrson ought to be brought in tosolve these problems in language which would be understood in Australia."

Chinese checkers

A huge sigh of relief from the embattled Brussels Eurocrats: members of the latest delegation to arrive from China are undoubtedly "sérieux."

Models of Marxist decorum, in fact, looking forward to the high spot of their European tour this weekend at Highgate Cemetary, unlike last year's trade mission which ran up bills of several thousand pounds watching pipe-TV blue movies at the Brussels Sheraton.

Just to ensure there should be no repeat of the unpleasant scenes that ensured when the EEC Commission flatly refused topay for that sort of entertainment, the current trippers are booked into the Europa.

That hotel is "thinking seriously" about installing similar viewing services—but not before the Chinese delegation leaves.

Bank roll

"Who?" asked a senior official in the French civil service, when he heard the name yesterday of the new head of Credit Commercial de France, until last weekend the country's top independent commercial bank.

But then again, he was sure he had heard the name somewhere or other. Guy Raoul-Duval, appointed "administrator-general" of the newly nationalised bank, comes from a long, distinguished but unspectacular administrative background. His last job was as assistant director-general of the French Foreign Trade Bank.

The little-known Raoul-Duval has a hard act to follow. Jean-Maxime Leveque, at 58 a year younger and a man who similarly launched himself into a civil service career through the Ecole Nationale d'Administration, had become one of the most prominent figures on the French banking scene

A former adviser to General de Gaulle before his conversion to the ethics of private sector banking, he campaigned against credit curbs under Giscard and crusaded against nationalisation under Mitterrand.

When he made his farewell speech last week, three times as many shareholders as expected turned up. Leveque was pretty much responsible for that — since he had invented a scheme for giving shares in the bank to clients.

The rather obscure succession at CCF may cause fewer raised eyebrows, however, than the one at Banque Hervet, whose previous owners were staunch defenders of the small private banking sector. Not only is the new boss not a Hervet — for the first time in the bank's history — but it is a woman, Lisette Mayret. She comes from a venture capital business run by Edmond de Rothschild and is one of three women to find themselves seated in the chairman's offices of French banks after yesterday's musical chairs.

Bar-bender

Should be an instructive night out tomorrow for ex-assistant prison governor John Wheeler, Tory MP for Paddington. He will preside at a West Kensington yoga demonstration at which Indian Professor Bhim will bend iron bars with his eyeballs.

Wheeler, who heads the Commons race relations committee, will also be shown such harmony-inducing tricks as grinding glass into powder by hand, ripping brass plates in half, bursting a football bladder with the nostrils, and hammering nails into wood with a bare fist.

Observer

ECONOMIC VIEWPOINT

Why mumbo jumbo is winning

BY Samuel Brittan

A FEW years ago, Harold Lever coined the expression "unbelieving monetarists" to describe people like Denis Healey and some top Treasury officials, who wanted to control various financial aggregates to appease the markets and the IMF, without any belief in their independent validity.

It is time to invent a new term, "uncomprehending monetarists" to describe present Treasury Ministers and officials (some of the latter being the same people) who have turned down the idea of restating the Government's financial strategy in terms of what always should *have been its ultimate goal*.

So long as money GDP did bear a stable relation to some monetary aggregate, never mind which, there was a case for stating objectives in terms of the money supply. After all, this was a cliché slogan with which people were already familiar, if only as something to hate. But once it became clear that financial innovation, ranging from the abolition of exchange control to the invasion of the home loan market by the banks, was disturbing old relations, it became important to state objectives more fundamentally in terms of what it was sensible for the Government to try to influence.

By this I mean the movement of total spending in money terms. It is known to statisticians as money GDP or "total incomes" (they come to the same thing under national accounting conventions) and to some economists as "monetary demand." But the proliferation of synonyms should not be allowed to confuse people.

The concept is basically of a national cash limit or objective, which—unlike Sterling M3—could be put across without either mystification or undue technicality. It allows for a clear ends-and-means devision between the setting of objectives, which concern every interested citizen, and the detailed means, which are mainly of concern to the financial markets.

A money GDP objective would not necessarily displace other intermediate objectives such as the PSBR and the monetary aggregates. Nor on the other hand is it simply one further indicator to consider — as Treasury Ministers occasionally concede under pressure. It is the guiding indicator to which the others are logically subordinate.

Let us suppose, which is quite likely, that the next "Red Book" (Financial Statement) contains a wide target range for two or more monetary aggregates—without making clear what happens if they move in different directions. Let us also suppose that it contains a vague reference to an undisclosed exchange rate objective. Then there are so many escape clauses that almost anything that happened would be permissible within the so-called strategy.

Nor would it be sensible to argue for tighter limits for these particular indicators. It would, for instance, be foolhardy to try to pin the authorities to, say, an M1 target in spite of financial changes which were clearly making it more or less restrictive than intended.

Now introduce a final objective such as the money GDP. It transforms the picture. It becomes possible to be more specific about intermediate objectives but also more flexible.

Take the present argument about bank lending. Is it a mere institutional shift in the sources of finance, a necessary accompaniment of recovery or a source of a future inflationary explosion? The only way to inquire is to put it together with other financial movements such as the PSBR, government debt sales and so on, and ask about the likely effects on total money spending—checking of course present views against outcome and standing ready to take corrective action without waiting for any Budget or other political ritual.

It is for such reasons that prominent U.S. personalities such as Tony Solomon, president of the New York Fed, and Herbert Stein, a former chairman of the Council of Economic Advisers, have canvassed a money GDP objective. It was also urged by Arthur Okun, the most distinguished of the American Keynesians, in his last, posthumous book, and is urged by Professor James Meade here. These last two make their support conditional on parallel policies to curb wage increases; but it is still the objective they consider most sensible for financial policy to pursue.

The idea was also canvassed by high-level economic advisers in London, only to be turned down. Money GDP statistics will be used—indeed they already are—*for propagandist speeches* and exhortations There may even be an explanatory prose reference to it in the "Red Book," but Ministers and permanent officials have shied away from stating a strategy explicitly in these terms.

MONEY AND REAL GDP

% change over same quarter of previous year at annual rate

	(1) Change in Money GDP†	(2) Change in real output†	(3) Change in prices ("home costs")‡	(4) Change in Money GDP 2-year moving average at annual rate§
1977				
1	16.1	2.6	13.3	15.8
2	16.9	4.4	12.0	16.0
3	15.1	2.0	12.8	14.6
4	12.3	1.3	11.1	13.7
1978				
1	13.8	1.6	12.0	14.2
2	15.7	3.8	11.5	15.3
3	16.2	4.3	11.5	14.8
4	16.1	4.4	11.1	13.6
1979				
1	12.4	2.4	9.8	12.5
2	15.2	2.7	12.0	14.7
3	15.0	0.3	14.6	14.8
4	17.5	0.7	16.7	15.9
1980				
1	19.7	1.1	18.3	15.2
2	15.8	−3.1	19.5	14.7
3	15.1	−3.2	18.9	14.3
4	12.4	−3.9	17.0	14.2
1981				
1	9.3	−3.9	13.7	13.7
2	7.5	(−3.0)	(11.0)	11.1
3	9.1	(−3.0)	(10.0)	11.5

* At factor cost; † Based on Income Data; ‡ Based on GDP deflator; § Attributed to last quarter of each two-year period.

N.B.—Because of the compounding of percentages column and minor data discrepancies (1) is only approximately equal to the sum of columns (2) and (3).

Sources: CSO; FT Statistics Divis ion.

Those politicians who accepted money supply targets, but baulked at the idea of a money GDP (or national cash limit), reveal that they never really thought through why they favoured controlling money supply in the first place. Nor is it any help to emphasise the PSBR, to which emphasis has switched. Unless justified in terms of some more final objective, a PSBR target becomes the mumbo jumbo that the "wets" accuse it of being; and there is no more reason to limit borrowing to £9bn or *£10bn than it is £0.9bn or* £90bn.

What then are the profound objections, which have influenced the Government against a money GDP objective? The first was—wait for it—that putting prices and output together in the money GDP measure was like adding together "apples and oranges." The objectors forget that the national income and expenditure figures emerge first in money terms; indeed, for many years no others were available. It is the division of the total flow between changes in real output and changes in prices *that is the approximate and* problematic part.

The objection reveals an inability to see that prices and *output are influenced jointly by* financial policy and that the division between them depends on how businessmen, trade unionists and other agents react.

The gut reason why Ministers shied away from restating their Medium Term Financial Strategy (MTFS) in money GDP terms is different. It is that after their experience with Sterling M3 they are extremely reluctant to give any hostages to fortune with further forward numbers.

This objection demonstrates a breathtaking literalness in anything to do with numbers. The aim of the medium-term Sterling M3 targets *has* been achieved, and supporters who understood its purpose have no need to be embarrassed.

The target for 1981-82 was 6 to 10 per cent. When the ITFS was first announced in 1980, the assumption was that velocity would rise by 1 to 2 per cent a year. *Putting the* assumption and the money supply objective together, we obtain an implied money GDP *target for 1982-83 of 10 per* cent, which is almost exactly spot on.

Sterling M3 has increased much more than intended and velocity has fallen and not risen; but it is the joint product of the two which matters *much more than either component*. Switching presentation to this joint product as the true nal objective would be neither *an admission of defeat, nor an* entirely new plan, but a way of making sense of what has already been published and *rolling it forward*.

Doing so would also have the incidental objective of finding not common policies but a common *language of discussion* with people of varying political parties who have passed beyond "old Keynosian" demand *management*.

Some permanent officials insist that the Government should only have objectives for what *it can control. This shows the* difficulty that so many people have with a numerical objective which is a desired trend over *a number of years, rather than* a matter of precise quarter-to-quarter targets which are hit or missed.

The Government can have a decisive influence on the behaviour of total spending (and therefore total income). If *budget deficits are increased* sufficiently, if bank lending is boosted rapidly enough, and if the exchange rate is encouraged to depreciate, money GDP can be boosted to Weimar proportions. Just as the Government can do these inflationary things, it can refrain from doing them, or do them to only a modest extent.

Indeed, it is far more certain that governments can affect money GDP than that they can influence output (which they can influence only in the short run if at all) or prices (which they can only influence in the medium to long term). If such influence over money GDP is possible, it is surely sensible *to state the range of increase* below which the Government would relax and above which it would tighten policy.

Of *course* this influence takes effect over a period and not immediately. Quarter-to-quarter movements of national income figures are highly erratic, are published two to three months late, and are frequently revised. Indeed, a table of quarter-to-quarter changes shows such jerky movements (like the week-to-week U.S. money supply) that it is hardly worth publishing at all. But none of this matters a jot if the aim is to influence the trend over two or three years.

The two-year moving *average shows as stable* a picture as one could hope to have for any indicator.

It is not only impossible to *control quarter-to-quarter* changes in money GDP. It would be positively undesirable to do so. A further criticism *sometimes made of a money* GDP objective is that it would involve hitting the economy on the head if real output shows *a sign of recovery, even if* there is no extra inflation.

The objection has plausibility only on a short-winded view. *The last major upsurge* in real output in 1978 did not involve an upsurge in money GDP, if a two-year moving *average is taken*.

A market economy requires planning and numerical statements of Government intentions *just as much as a centrally* directed one. The difference is that the objectives are fewer, more realistic and for different goals. *There is nothing in* common between a social market economy and the knee-jerk scepticism and fatalism about *everything now so fashionable* around the Cabinet table.

Lombard

Labour fantasies about the EEC

By John Wyles in Brussels

THERE are several aspects of the *Labour Party's plans for* withdrawal from the EEC which are fanciful, not to say fantastic —one thinks immediately of the *intention to unravel single-handedly* long-standing trade commitments not just to the Community but also within Gatt

The sense of a Party being slightly out of touch with reality was heightened by Michael Foot during his visit to Brussels last week when he revealed that one of the foundations of Britain's foreign policy *when she has been pulled out* of the EEC by a Labour Government is to be the Socialist International.

Co-operation in this forum, said the party leader, was both a real and a desirable alternative to the EEC's political co-operation. *He offered no justification* for his surprising conviction that this loose grouping of socialist parties offered a *more effective basis for defending* and furthering British interests in the world. But he had nothing good to say about the close inter-governmental contacts which have made political co-operation an increasingly important aspect of Community activities.

What he did reveal, however, was the romantic Left's distaste, even fear, of foreign policy. The *Left has always hated the clash* between positions based on moral values and the practical necessities of managing *relationships with dubious* Latin American dictatorships or South African racists.

It is hardly any easier dealing with your allies since their interests often conflict with your view of what ought to be done and as a result they force you into morally compromising stands. How much easier it is to sit down with broadly like-minded people in a grouping like the Socialist International and to pass resolutions opposing the nuclear arms race and repression in El Salvador and Argentina.

Such attitudes appeared to underpin Mr Foot's statements. *Asked about political co-operation*, he doubted if "the Common Market institutions" were the best forum. "*The people I* want to co-operate with are democratic socialists," he added, perhaps forgetting that *socialists participate in eight of* the 10 EEC governments.

He implied that striking the right attitude was more important than conducting an effective foreign policy. "Working through the Socialist International" he said, "we can pursue our Socialist approach on the overriding issue of our time; nuclear weapons and the threat of war." He cited the past influence of Swedish and Austrian governments whose governing parties has been active and enthuisastic participants in the Socialist International.

However, Sweden does not at this moment have a Socialist government, but if it did, it would almost certainly be as keen as the current administration in Stockholm to be more closely associated with the EEC's political co-operation.

Mr Foot does not seem to realise that the world as a whole seems at times to take the Community's attempts to coordinate foreign policy more *seriously* than the Community itself. As a result, the Ten have an influence on certain issues from Poland to the Middle East far greater than any single member-state. This is despite the fact that European political co-operation is still imperfect, *the range of issues* dealt with limited, and the common approach often fragile.

Nevertheless, it is the one area of EEC activity which member-governments unanimously agree has a future. Indeed, several want to widen its scope to include defence issues. Mr Foot may be ready now to settle for the role of a Sweden or Austria, but one wonders if as Prime Minister he would be content to sit in London while EEC heads of government were thrashing out a strategy for promoting U.S.-Soviet nuclear arms reduction talks. Political posturing is easy but it is also cheap and *irrelevant* without power and influence.

Letters to the Editor

Substitutes for metals and the tin market battle

From Professor J. Nutting

Sir,—I read with interest John Edwards article (February 15) on the battle for the tin market and perhaps you would allow me to amplify some of the points he has made.

There is considerable opportunity for substitution of one metal by another if the price becomes unfavourable. Because of this there is a close relationship between price and demand. The annual world production of steel, the cheapest metal, is about 5x10⁸ tonnes, while the annual production of plutonium, the world's most expensive metal, is about 10 tonnes. At a second glance this *relationship* would seem to break down, lead and zinc are only about half the price of aluminium yet aluminium is *the second most* widely used metal. It must be remembered, however, that aluminium has a much lower density and is *stronger than* either lead and zinc and consequently you get a lot more load carrying capacity for your money with aluminium than you do with lead and zinc.

Because there is this wide range of price and annual consumption for all metals, with the possibilities of substitution, it is possible to assess if any one metal relative to others is under or over priced. An analysis of this type shows that over the last few years tin has *been underpriced*, and the recent price rises would seem to correct that position. But if the price rises much further then *tin will become overpriced* and the pressures for substitution will increase.

If one looks at metal and material developments over the last 50 years it becomes clear that substitution acts in a ratcheting manner. Once a substitute material or process has developed then the pressure to move backwards to the original material, if its price should fall relative to the substitute is never very great. Obvious examples are the substitution of copper for lead in pipework and a whole host of substitution of aluminium for copper which developed when the traditional price ratio of copper to aluminium was 2.1.

There is little evidence that copper is now replacing aluminium when the price ratio is 1.2:1. Most people believe in fact that the copper price will increase back to give the usual ratio, therefore why undertake a step backwards. The tin producers could do well to bear in mind these metallurgical and economic facts.

If the tin using container market is reduced because of substitution it will require an extensive and expensive research effort to develop new markets for tin. Many possible users will have lost confidence in the metal. Enough is clearly enough.

(Professor) J. Nutting.
Department of Metallurgy,
Houldsworth School of
Applied Science,
University of Leeds,
Leeds.

Tighter advertising censorship

From the Legal Adviser Institute of Practitioners in Advertising.

Sir,—David Churchill (February 11) quotes the director general of fair trading as saying "There are inherent weaknesses in the present system of self-regulation of advertising. . ." This is perfectly true, but then any *system of control has inherent* weaknesses. One only has to look at some recent consumer legislation, such as the Price *Marking (Bargain Offers)* Order, to see what an appalling mess the law gets into when it attempts to control practices which would have been better left to self-regulation.

It is interesting that in quoting the director general, *Mr Churchill fails to mention* that the 1978 OFT survey of the self-regulatory system found that it was working very *efficiently and that well over* 90 per cent of the advertisements monitored complied with the rules. Indeed, serious attempts to mislead the consumer were estimated as constituting a fraction of 1 per cent.

Against this background, the question to ask is not whether there are misleading advertisements, but rather whether new controls will achieve a higher level of compliance than that currently achieved by self-regulation. Neither Mr Borrie nor Mr Churchill have produced any evidence to show that they will and I doubt that they can.

Philip J. Circus.
44 Belgrave Square, SW1.

A shift from welfare to employment

From Professor R. Dore

Sir,—If, for the foreseeable future, our economy will not offer enough forty-hour-a-week jobs at marginal productivities reasonably above the welfare minimum to keep more than 90 per cent of us employed then can we try for, say, 96 per cent employed for an average *thirty-seven hours?*

The present shift to the 39-hour-week is of little help to such a transition: it shortens the working week of the capital equipment, or is a way of increasing overtime pay, and *rarely adds to employment.*

Can one envisage the following package deal to be on hand when demand picks up and output can be increased again? Firms on shift working with, e.g., three eight-hour shifts for five days, *to move to a "Continental system"* of four teams working six or seven days. (Weekly hours 32 to 36 depending on the number of weekend shifts; blocks of two, three or four rest days between eight-hour shifts—and the overall shorter hours—compensate for weekend working.) No change initially in wages. The increase in the hourly wage rate is compensated for by (a) union agreement to restrict wage increases over three years to the inflation rate or the average settlement rate in an agreed range of comparators, whichever is the lower, (b) a government subsidy of £60 a week the first year, £40 the second, and £20 the third for each additional job created as a result of the shift.

The problems that would need thinking about are: will the skills be available to man the 33 per cent increase in jobs in the affected categories (and, if not, is this a training bottleneck or, perish the thought, an innate capacities bottleneck); and what would be the demonstration effect on industries where there is no shift working?

(Prof.) R. Dore.
157 Surrenden Road,
Brighton

The case for a cash flow tax

From Messrs J. Edwards and C. Mayer

Sir,—We cannot agree with the claim by Mr Walton (February 9) that we made a factual error in our article on the corporation tax Green Paper. He disputed our argument that the revenue-neutral rate of S base company cash flow tax over the recent past would have been substantially lower than the 200 per cent *figure (on a tax-exclusive basis)* quoted in the Green Paper. We are grateful to Mr Walton for allowing us to see the figures on which the Green Paper calculation was based. These are for the period 1973-81 and, expressed in constant prices, are as follows:

	£bn
Total dividends, net of personal income tax at the basic rate (i.e. ACT)	38.1
Total share issues	12.4
Mainstream corporation tax revenue	37.6
Advance corporation tax	16.0

The S *base is dividends* gross of any personal income tax liability less new share issues. Thus to raise the equivalent amount of mainstream corporation tax revenue, which, as we explained in our article, is the relevant calculation, the tax rate would have had to have averaged (37.6)/(38.1 + 16.0 − 12.4) = 90 per cent on a tax-exclusive basis. This figure is higher than the 69 per cent (tax exclusive) rate we quoted in our article, but that is because we used the period 1976-80 for those calculations. It is still less than half the figure, quoted in the Green Paper.

Tax rates are usually presented on a tax-inclusive basis, and the revenue — neutral rate for an S base cash flow tax would then be 47.4 per cent which is of course less than the present (tax-inclusive) corporation tax rate of 52 per cent.

J. S. S. Edwards, C. P. Mayer.
The Institute for Fiscal Studies,
1-2 Castle Lane, SW1

The electronic office

From the UK Public Relations Officer, European Association of Professional Secretaries.

Sir,—On behalf of the European Association of Professional Secretaries, I should like to reinforce the views expressed by Mrs C. Spicer (February 13). Salesmen would be well advised to re-direct their efforts towards today's management.

Research carried out so far by EAPS only serves to endorse the fact that the senior secretary *is fully aware of the advantages* of the latest technology. To her, the electronic office is neither a mystery nor a threat. It is her boss who is far more likely to be uninformed and reactionary.

Barbara Smith.
c/o Sedgwick UK,
52, Leadenhall Street, EC3.

UK COMPANY NEWS

Continued recovery at Bath and Portland

Bath and Portland Group's recovery continued apace in the second half of the year to October 31 1981. Taxable profits for the period improved by £982,000 to £1.77m, following a £340,000 increase to £1.03m at midway.

This left the full year outcome some £1.32m better at £2.8m and the total dividend is being raised from 3p to 4.5p with a final payment of 2.5p.

The second half pick-up was anticipated at the time of the interim announcement and the directors now say that the current year overall promises some further recovery. However, the cost of inclement weather to date on the group's activities in the hard hit areas of the south west and Wales, and the lack of any recognisable recovery in the economy, must limit the extent of any profit recovery, they add.

A divisional breakdown of turnover, £83.53m (£92.79m), and trading profits, £3.34m (£2.55m), for the year under review shows (£000s omitted): minerals £17,355 (£19,062) and £1,318 (£2,225); building products £2,539 (£1,235) and £455 (£107); building and civil engineering £39,871 (£45,351) and £1,018 (£243); agriculture £11,902 (£14,863) and £222 (£457 loss); measurement and control £6,278 (£5,633) and £599 (£633); engineering £5,593 (£6,650) and £269 (£198) loss.

Minerals, with much diminished demands from the construction industry, particularly the road maintenance programme now at an unprecedented low level, produced lower profits than expected, the directors report.

As for the rest of the divisions, building products, after many years of low returns, showed the benefit of the reconstruction of its production facilities and improvement in its marketing techniques.

Building and civil engineering, freed from the Iranian burden and assisted by new overseas contracts and some minor property deals, showed an acceptable improvement, with loss making building activities being closed.

Agriculture, now incorporating chemicals, moved against the trend in the national fertiliser industry and produced a marked improvement over last year.

Profits of measurement and control, previously part of the engineering division, showed a slight shortfall but this does represent an excellent result when set against the performance of its industry, and when delayed defence department orders have been taken into account, it is pointed out.

Engineering encompasses those activities at the lower level of technology compared to measurement and control. Here, the directors say, the results expose the downturn of the group's interests in the white goods market and the garage industry.

Taxable profits were struck after interest of £541,000 (£1.07m) and were subject to tax of £1.09m (£454,000). Surplus on debenture redemption amounted to £30,224 (£19,000) and the available balance increased from £1.05m to £1.74m. From this, dividends totalling £824,525 (£345,971) were paid.

Net earnings per 25p share are stated at 10p (6.3p) and at October 31 1981 the group's net asset value per share stood at 107.3p (107.4p).

● **comment**

Bath and Portland's profit and dividend are well ahead of expectations and the balance sheet transformation continues. Total borrowings, which stood at £27m in December 1978 have been reduced to £19m in debenture and loan stocks more than covered by £2m in cash. However, the trading picture remains dull. The decline in turnover accelerated slightly in the second half and the directors see no signs of improvement. Loss elimination, rationalisation and reduction of interest charges account for the big profit improvement last year and the elimination of depreciation will figure significantly in any further gain this year. The shares have more than doubled in the past year and at 81p, up 1p yesterday to the 1981-82 peak, some holders could well conclude that there is little more to go for at this time. But the 8 per cent yield is useful and the fully taxed p/e of 11.5 probably reflects bid speculation or hopes for a low-cost body scanner that the group has been developing quietly over the past three years and may be about to launch.

Lee Valley offers £5m for tender

Lee Valley Water Company is offering for sale by tender £5m of 9½ per cent redeemable preference stock.

At the minimum tender price of £99 per cent, the conventional gross flat yield is 13.71 per cent or 19.99 per cent for those liable to corporation tax.

The stock is redeemable at par on March 31 1989. It is denominated in multiples of £100 and applications, accompanied by a deposit of £10 per cent, must be received before 11.00 am on February 25.

The first dividend, amounting to £4.835 net, will be payable on October 1 1982 and dividends will be paid thereafter half yearly.

Brokers to the offer are Seymour Pierce.

● **comment**

The last water issue, from Mid-Kent Water Company, was well oversubscribed and is standing at a 3p premium in 10p paid form. While Mid-Kent was a five-year stock, Lee Valley has a seven-year term and the minimum tender price is £1.50 higher at £99 per cent.

Gilts have edged up slightly since the Mid-Kent issue but the trend is looking less clear, notably because of foreign influences. Assuming no significant setback occurs in the next week, Lee Valley should nevertheless attract a reasonable response and so tenders are recommended at a half to one point above the minimum.

London and Lomond Inv. declines

NET REVENUE of London and Lomond Investment Trust declined marginally from £786,553 to £777,677 for 1981 after tax of £387,969, against £372,556, and preference dividend payments which absorbed a same-again £13,703.

Stated earnings per 25p share slipped from 4.16p to 4.11p, but an increased final dividend of 2.4p (2.2p) raises the net total by 0.2p to 4p—payment of ordinary dividends totalled £756,000 (£718,097).

Gross revenue for the year advanced from £1.69m to £1.81m.

Net asset value per share at year-end was 140p, compared with 130p previously.

Foreign & Colonial

TAXED PROFITS of Foreign and Colonial Investment Trust rose from £5.02m to £5.64m for 1981.

Pre-tax profits were up from £7.77m to £8.64m while gross income improved by £3.52m to £15.43m.

A final of 1.41p (1.22p adjusted) per 25p share has been declared making a total of 2.035p against 1.845p. Stated earnings per share rose from 1.88p to 2.11p. A scrip issue of one-for-one was made in March last year.

Taxable profits were struck after expenses and interest of £6.59m against £4.15m while tax took more at £3.21m compared with £2.74m. Net asset value at the year end rose from 80p to 86.5p.

BPC moves back into profit in the second six months

BPC has become profitable during the second half of 1981, Mr Robert Maxwell, chairman of the printing group, claimed yesterday.

Mr Maxwell, writing in a glossy eight-page report to shareholders and staff published yesterday, says that the company is "out of the terminal ward" and restored to profitability.

Although he says the improvement has not been sufficient to wipe out the £8m first-half losses he adds the group should register a £4m loss for 1981. As a whole Mr Maxwell says that his survival programme for the group has enabled it to become profitable again but he warns that BPC (formerly British Printing Corporation) needs to earn a profit of between £15m and £20m a year on annual sales of £250m to safeguard its future.

He says that achieving sustained profitability will allow the company to restore dividend payments to "our long suffering shareholders" and introduce a profit sharing scheme for BPC employees.

Mr Maxwell, listing progress made since he rescued it from imminent collapse in April last year, says BPC has gone ahead with a £23m investment programme.

Since Mr Maxwell took over the BPC workforce has been trimmed by about 2,500 to 8,000 and some £14m has been spent on redundancies and closure costs.

See Lex

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Birmid Qualcast	1.4	—	nil	1.5	1.5
Bogod-Pelepah ...int	nil	—	0.1	—	0.4
Bogod-Pelepah "A" int	nil	—	0.2	—	0.8
Foreign and Colonial	1.41p	April 7	1.32*	2.04	1.85*
Gillett Bros	1.75	—	10.71	8.75	17.71
London and Lomond Inv	2.4	April 2	2.2	4	3.8
United Real Prop Inv int	1.25p	April 14	1.25p	—	6
Updown Inv Tst	2.25	March 26	2	2.25	2
Ariel Industries ...int	0.54	April 16	0.54	—	1.35
Bath and Portland	2.5	April 1	1	4.5	2

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

BOC chief defends directors' £0.48m pay

Sir Leslie Smith, chairman of the BOC Group, yesterday defended the £477,100 salary paid by the British-based industrial gases company to Mr Richard Giordano, the company's chief executive.

Sir Leslie, who faced a series of questions from shareholders attending the group's annual meeting in Hammersmith, London, said the salary was both "appropriate and equitable."

He told shareholders, some of whom had described Mr Giordano's salary (which was increased by 76 per cent in the year to September 1981) as "enormous" and "obscene," that the salary was far off the maximum for comparable jobs in the U.S. and was "entirely appropriate because of the magnificent achievement in profitability."

Last year the group's pre-tax profits were 50 per cent up at £93m on sales of £1.52bn. Mr Giordano was appointed to his present job in June 1979 from the group's U.S. subsidiary, Airco, where he had been president and chief executive.

Sir Leslie said that about 25 per cent of Mr Giordano's salary increase was accounted for by currency fluctuations.

The chairman said that the salary was "enormous" by UK standards but suggested that the reason why British management had often been held in poor regard was because of the lack of management remuneration.

Mr Giordano, asked by one shareholder if he could voluntarily take a 50 per cent pay cut to give bigger dividends to shareholders, said: "Yes, it is quite possible, but I am not going to, the same question could be asked of everyone."

Shareholders also criticised the level of dividend paid by the company and the decision to invest heavily in the U.S.

Pearson U.S. subsidiary's earnings jump

Fourth quarter net sales of Camco, a listed U.S. subsidiary of S. Pearson and Son, rose by 12 per cent from $39.04m to $43.75m (£23.89m at current values) and net income jumped by 116 per cent to $4.81m (£2.63m) against $2.23m, representing an advance from 31 cents to 66 cents per share.

For the 12 months ended December 31 1981, net sales climbed 22 per cent to $176.08m ($144.65m), while net income was up 132 per cent to $15.59m ($6.73m) or $2.16 (94 cents). Earnings have been adjusted for last August's two-for-one share split.

Net income for the fourth quarter was increased by $628,000 or 9 cents per share as a result of legislation in the UK which allowed Camco to recover deferred taxes. A similar amount was also recovered in the third quarter.

Camco is a leading manufacturer and supplier of gas lift equipment, safety systems, completion equipment and related services for the energy industries. Mr Tausch, the company's president, says the record results are the result of greater demand for its products and services worldwide, with growth made possible by the investment made during 1980 for expanded manufacturing and service operations.

Camco's financial position has strengthened during 1981 as a result of its increased earnings and a reduction of more than $4m in debt.

Receiver for Kitchen Queen

Kitchen Queen, the Manchester-based retail furniture stores company which was sold off by the Moben furniture group in May 1980, has called in the receiver following mounting losses.

Moben sold its 37 furniture stores, representing the bulk of the group's retailing operation, to Mr Stephen Boler, a Manchester businessman, for £2.1m cash. This was a discount of £1.2m on the book value of net assets.

Kitchen Queen's bankers have appointed Mr Richard Turton and Mr Harold Brierley of Spicer and Pegler as receivers. They moved in to the company yesterday morning.

Mr Turton said yesterday "all we know is that the losses have been substantial."

Kitchen Queen has an annual turnover of £6m and employs 125 people. Since its acquisition from Moben 26 of its stores have been closed leaving it with 11 stores which are mainly in the Manchester area.

The receivers said that it is proposed to continue to trade for the time being in an attempt to find a buyer for the business or parts of the business as a going concern.

The stores—which showed losses of £1.5m in the six months to February 1980 just prior to their sale—were to have been combined by Mr Boler with his Wharf Mill Furnishers, a Lancashire company where he acquired control in January 1980. Following continued losses Wharf Mill itself went into receivership in November of that year.

The sale of the retailing operation by Moben meant the disposal of the main part of the company which was brought to the stock market 18 months earlier under the Kitchen Queen banner.

The company came to the stock market in November 1978 with a price tag of £7.25m. The company was floated by way of a successful offer for sale of 6.5m shares which was 30 times over-subscribed. Just five months later the company started on the acquisition trail buying out Knott Mill Holdings, a Rochdale based carpet retailer, for £2.14m. In July 1979 the group acquired Moben Home Improvements.

The group announced in December that it had met its profit forecast of £1.51m (£1.46m) given at the time of the flotation. But by the middle of January 1980 the share price had collapsed from 40p to 24p in a matter of three days on fears about the group's trading.

On January 17 the company confirmed that trading had been hit and that a loss had been made for the previous four months and it estimated that a loss of £300,000 would be shown for the first half of the year. On the same day Mr Neville Johnson, the company's founder, resigned as chairman and chief executive and sold his 28.4 per cent holding in the company to Mr Jim Bentham (managing director) and Mr Lenny Morris, who came on to the Board following the purchase of Moben at 10.5p per share.

But in May 1980 the group announced heavier than expected pre-tax losses of £2m in the first half year and decided to sell off the stores operation. In July the company reported that after heavy disposal and closure costs it had an overall £8m net loss for the half year.

By the end of 1979-80 the group's pre-tax loss came through at £3.63m. A year later a revamped and rationalised group produced a recovery to profits of £1.95m for 1980-81 and to £0.93m for the first half of the current year.

United Real Property rises at six months

Taxable profits of United Real Property Trust rose slightly from £828,000 to £859,000 for the half year to October 5 1981.

An unchanged net interim dividend of 1.25p per 25p share has been declared. Last year a final of 4.75p was paid out of taxable revenue of £1.27m.

Gross service and rental income rose from £1.19m to £1.57m. Tax took £479,000 compared with £435,000.

The company and its subsidiaries are property investment and development companies with property in London and Australia.

SPAIN

February 17	Price %	+ or −
Banco Bilbao	335	
Banco Central	357	
Banco Exterior	306	−4
Banco Hispano	318	
Banco Ind. Cat.	115	
Banco Santander	357	−2
Banco Urquijo	225	
Banco Vizcaya	377	
Banco Zaragoza	228	
Dragados	172	+2
Espanola Zinc	65	
Fecsa	61.7	−0.3
Gal. Preciados	47	+2
Hidrola	68.2	
Iberduero	50.5	
Petroleos	100	−1
Petroliber	94	
Sogefisa	14	
Telefonica	73	+1
Union Elect.	65	

THE TRING HALL USM INDEX
117.8 (+0.5)
close of business 17/2/82
BASE DATE 10/11/80 100
Tel.: 01-638 1591

LADBROKE INDEX
Close 562-567 (+3)

BASE LENDING RATES

A.B.N. Bank	14 %	Robert Fraser	14 %
Allied Irish Bank	14 %	Grindlays Bank	†14 %
American Express Bk.	14 %	■ Guinness Mahon	14 %
Amro Bank	14 %	■ Hambros Bank	14 %
Henry Ansbacher	14 %	Heritable & Gen. Trust	14 %
Arbuthnot Latham	14 %	■ Hill Samuel	§14 %
Associates Cap. Corp.	14 %	C. Hoare & Co.	†14 %
Banco de Bilbao	14 %	Hongkong & Shanghai	
BCCI	14 %	Knowsley & Co. Ltd.	14½ %
Bank Hapoalim BM	14 %	Lloyds Bank	14 %
Bank Leumi (UK) plc	14 %	Mallinhall Limited	14 %
Bank of Cyprus	14 %	Edward Manson & Co.	15 %
Bank Street Sec. Ltd.	15½ %	Midland Bank	14 %
Bank of N.S.W.	14 %	■ Samuel Montagu	14 %
Banque Belge Ltd.	14 %	■ Morgan Grenfell	14 %
Banque du Rhone et de la Tamise S.A.	14½ %	National Westminster	14 %
Barclays Bank	14 %	Norwich General Trust	14 %
Beneficial Trust Ltd.	15 %	P. S. Refson & Co.	14 %
Bremar Holdings Ltd.	15 %	Roxburghe Guarantee	14½ %
Bristol & West Invest.	15 %	E. S. Schwab	14 %
Brit. Bank of Mid. East	14 %	Slavenburg's Bank	14 %
■ Brown Shipley	14½ %	Standard Chartered	‖14 %
Canada Perm't Trust	14½ %	Trade Dev. Bank	14 %
Castle Court Trust Ltd.	14½ %	Trustee Savings Bank	14 %
Cavendish G'ty T'st Ltd.	15½ %	TCB Ltd.	14 %
Cayzer Ltd.	14½ %	United Bank of Kuwait	14 %
Cedar Holdings	14 %	Whiteaway Laidlaw	14½ %
■ Charterhouse Japhet	14 %	Williams & Glyn's	14 %
Choulartons	14½ %	Wintrust Secs. Ltd.	14 %
Citibank Savings	¶14 %	Yorkshire Bank	14 %
Clydesdale Bank	14 %		
C. E. Coates	14½ %		
Consolidated Credits	14 %		
Co-operative Bank	*14 %		
Corinthian Secs.	14 %		
The Cyprus Popular Bk.	14 %		
Duncan Lawrie	14 %		
Eagil Trust	14 %		
E.T. Trust	14 %		
Exeter Trust Ltd.	15 %		
First Nat. Fin. Corp.	17 %		
First Nat. Secs. Ltd.	17 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 11.50%, 1-month 11.75%. Short term £8,000/12 month 14.10%.
† 7-day deposits on sums of:—under £10,000 11½%, £10,000 up to £50,000 12¾%, £50,000 and over 12¾%.
‡ Call deposits £1,000 and over 11½%.
‖ 21-day deposits over £1,000 13%.
§ Demand deposits 12%.
¶ Mortgage base rate.

HIGHLIGHTS

After a quick look at the U.S. and London financial markets Lex moves on to examine the South African economy where interest rates are rising and the need to protect the currency is evident. On the company news front Birmid Qualcast has surprised the market with an unchanged dividend and a confident statement from the board of directors. Another confident sounding statement emerged yesterday from Mr Robert Maxwell, chairman of BPC. Finally the column looks at the latest results from Gillett, the beleaguered discount house, which reinstated its dividend last year only to cut it now.

LONDON TRADED OPTIONS

Feb. 17 Total Contracts 838. Calls 422. Puts 416.

Option	Ex'rcise price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP (c)	240	56	20	—	—	—	—	358p
BP (c)	300	8	5	17	3	27	—	"
BP (c)	330	2	1	9	—	15	—	"
BP (p)	280	12	10	17	33	22	—	"
BP (p)	300	29	25	34	—	38	—	"
BP (p)	330	60	20	62	—	66	20	"
CU (c)	130	15	—	19	—	23	4	134p
Cons. Gld (c)	460	27	3	47	—	54	—	452p
GEC (c)	800	52	14	77	—	90	—	829p
GEC (c)	850	24	5	47	—	67	—	"
GEC (p)	800	17	7	26	—	32	—	"
GEC (p)	850	42	4	47	—	52	—	"
Gr'd Met. (c)	200	5	—	12	3	18	10	187p
Gr'd Met. (p)	180	7	6	10	4	11	10	"
ICI (c)	280	66	4	74	—	—	—	344p
ICI (c)	300	46	3	54	—	60	1	"
ICI (c)	330	23	1	33	—	40	3	"
ICI (c)	360	9	6	18	35	26	—	"
ICI (p)	300	3	20	11	—	13	—	"
ICI (p)	330	12	14	18	26	26	—	"
ICI (p)	360	31	17	36	—	40	—	"
Shell (c)	360	14	2	24	5	34	1	358p
Shell (p)	360	21	1	26	10	30	10	"
Shell (p)	390	42	41	46	—	48	—	"
Shell (p)	420	72	—	76	10	—	—	"
		February		May		August		
Barclays (c)	420	55	3	60	—	77	—	473p
Barclays (c)	460	17	4	31	—	50	—	"
Barclays (c)	500	1	—	13	1	30	—	"
Imperial (c)	70	11	20	14	—	16½	—	81p
Imperial (c)	80	2	—	7½	37	10½	11	"
Imperial (c)	90	½	—	3½	10	5	37	"
Imperial (p)	80	2	—	3½	—	5	3	"
Lasmo (c)	350	7	—	26	1	40	—	322p
Lasmo (c)	360	1	—	16	1	23	—	"
Lasmo (c)	390	¾	—	10	7	16	—	"
Lonrho (c)	70	10	1	14	—	16	—	79p
Lonrho (c)	80	1½	—	6	—	8½	1	"
Lonrho (c)	90	½	6	3	—	4½	—	"
Lonrho (p)	70	¾	—	2½	4	4	—	"
Lonrho (p)	80	3	—	6	20	8	20	"
Lonrho (p)	90	13	—	14	—	16	2	"
Lonrho (p)	100	22	7	—	—	—	—	"
P & O (c)	110	22	10	27	1	—	—	131p
P & O (c)	120	12	11	18	7	25	—	"
P & O (c)	130	5	2	12	18	18	—	"
P & O (c)	140	1	1	8	19	13	—	"
P & O (c)	160	¼	—	4	—	8	8	"
Racal (c)	390	2	12	20	—	33	—	370p
Racal (c)	420	1	—	12	1	22	—	"
Racal (p)	360	4	—	13	2	18	—	"
Racal (p)	390	20	16	28	14	35	—	"
Racal (p)	420	50	—	53	2	57	—	"
RTZ (c)	420	35	11	50	1	65	—	461p
RTZ (c)	460	25	19	30	17	42	—	"
RTZ (c)	550	1	—	4	5	—	—	"
RTZ (p)	420	4	—	13	5	20	—	"
RTZ (p)	460	17	—	25	1	34	—	"
RTZ (p)	500	52	—	62	2	67	—	"
Vaal Rfs. (c)	55	4	—	7½	—	10	5	$57
Vaal Rfs. (c)	60	1½	—	4½	2	6	6	"
Vaal Rfs. (p)	55	1	—	2½	—	3½	1	"
Vaal Rfs. (p)	60	3½	4	6	20	8	2	"

C=Call P=Put

EUROPEAN OPTIONS EXCHANGE

Series		Feb. Vol.	Feb. Last	May Vol.	May Last	Aug. Vol.	Aug. Last	Stock
GOLD C	$400	—	—	3	14	—	—	$374.50
GOLD P	$350	—	—	5	7	—	—	"
GOLD P	$375	60	2.60 B	—	—	—	—	"
GOLD P	$400	7	23	—	—	—	—	"
GOLD P	$425	3	47	—	—	—	—	"
GOLD P	$450	3	72	—	—	—	—	"
GOLD P	$475	3	97	—	—	—	—	"
12¾ NL 81 87-91								
C	F.102.50	40	4.70	—	—	—	—	F.107.40
C	F.105	—	—	10	2.90	50	3.50	"
C	F.107.50	50	0.20	—	—	150	1.60	"
C	F.110	—	—	—	—	150	0.60	"
P	F.107.50	—	—	—	—	150	1.10	"
12 NL 81 85-88								
C	F.102.50	40	0.90	—	—	—	—	F.103.40
10¾ NL 80 86-95								
C	F.95	110	3.80	—	—	—	—	F. 98.80
C	F.97.50	—	—	—	—	200	2.80	"
C	F.100	—	—	100	0.70	—	—	"
		April		July		Oct.		
ABN C	F.300	7	1.50	—	—	—	—	F.275.50
AKZO C	F.25	30	2.10	8	3	—	—	F.26.70
AKZO C	F.27.50	136	0.90	93	1.50	78	2	"
AKZO C	F.25	—	—	51	0.80	—	—	"
AKZO P	F.27.50	—	—	—	—	10	1.80	"
HEIN C	F.50	—	—	—	—	9	5	F.52
HEIN C	F.55	23	0.90	6	1.80	6	2.30	"
HEIN P	F.55	—	—	10	5.20	—	—	"
HOOG C	F.17.50	—	—	10	1.10	—	—	F.16.30
IBM C	$60	10	4⅛	—	—	—	—	$62⅛
IBM P	$60	—	—	—	—	7	3	"
KLM C	F.80	—	—	7	14	—	—	F.89.70
KLM C	F.90	31	4.50	—	—	—	—	"
KLM C	F.100	11	1.80	36	3.80	—	—	"
KLM P	F.80	20	1	—	—	—	—	"
KLM P	F.90	11	4	—	—	8	8	"
NEDL C	F.130	30	2.80	10	3.90	—	—	F.126
NEDL C	F.140	6	0.80	25	1.80	—	—	"
NEDL P	F.120	42	2	—	—	—	—	"
NEDL P	F.130	30	4.50	12	12.50	—	—	"
PHIL C	F.20	134	4 B	56	4.30	—	—	F.23.80
PHIL C	F.22.50	110	2	30	2.30	55	2.80	"
PHIL C	F.25	242	0.70	184	1	154	1.40	"
PHIL P	F20	—	—	15	0.20	—	—	"
PHIL P	F.22.50	—	—	50	0.70	20	0.80	"
PHIL P	F.25	10	1.40	10	2	—	—	"
RD C	F.80	67	3.50	97	4.80	11	6.50	F.81
RD C	F.90	113	0.60	42	1.40	11	2.50	"
RD P	F.80	8	2	—	—	5	4.50	"
RD P	F.90	23	9.50	—	—	—	—	"
RD P	F.100	10	19.50	—	—	—	—	"
UNIL C	F.150	15	10	5	10	—	—	F.157.90
UNIL C	F.160	8	3.10	4	4.70	—	—	"
		Feb.		May		Aug.		
SIEM C	DM.220	20	0.60	—	—	—	—	DM217.58
SIEM C	$240	—	—	15	1	—	—	"
SLUM C	$50	—	—	—	—	9	6	$50⅜
VW C	DM.140	38	8.50	10	12.60	—	—	DM.148.70
VW C	DM.150	8	0.40	24	5.50	—	—	"

TOTAL VOLUME IN CONTRACTS: 3558

A=Asked B=Bid C=Call P=Put

Birmid back in profit and 1.4p final

IN THE second six months to October 31 1981 Birmid Qualcast has come back strongly into profitability resulting in a full year pre-tax surplus up from £225,000 to £1.64m. The group's heating and home and garden equipment divisions maintained the momentum achieved in the previous year to offset adverse recessionary effects felt in other operations.

At the interim stage, the board reported a pre-tax loss of £1.81m (£4.76m profit) and expressed hope that, with the rate of loss steadily declining, the trend would continue in the second half.

Having given careful consideration to the dividend with full recognition of progress made and prospects for 1982, the directors feel justified in recommending a final of 1.4p (nil) to maintain the total at 1.5p net per 25p share.

Profits for the current year are expected to show further improvement provided that the general level of activity does not deteriorate.

Birmid has dealt vigorously with the reductions in capacity which have been necessary, say the directors, and while further rationalisation cannot be ruled out, the major part of the stabilisation programme has been completed.

The group is in a position to grow again and intends to seek out wider product areas for the future which will include exploration of opportunities, both at home and overseas.

Turnover for the year dropped 15 per cent from £210.38m to £178.27m, reflecting lower levels of demand and closures in the foundry and engineering divisions. Trading profits increased from £3.7m to £4.69m. Interest took £3.74m (£3.59m) and associates' contributions rose from £114,000 to £686,000.

There was a tax charge of £703,000 (£3.64m). After crediting minorities of £272,000 (£870,000) but debiting extraordinary items of £1.16m (£10.22m) the attributable surplus came through at £40,000, compared with a deficit of £12.76m.

Earnings per share are shown as 1.5p (4.5p loss) on a net basis and *2.2p (2.3p) on a nil distribution basis.*

A divisional breakdown of turnover and trading profits shows respectively: engineering £17.83m (£27.71m) and £0.91m loss (£0.7m loss); foundries £89.78m (£120.18m) and £3.1m loss (£1.44m loss); heating £23.84m (£20.7m) and £4.31m (£2.49m); home and garden equipment £46.82m (£41.79m) and £4.35m (£3.32m); miscellaneous nil (same) and £42,000 (£32,000).

In the engineering division low investment by the British Farming community and unduly wet weather in the vital part of the season severely restricted sales of the UK irrigation company and a loss was incurred.

The engineering and scaffolding businesses also suffered from lack of demand and it became necessary to rationalise and merge some of their production facilities. The irrigation company in Zimbabwe achieved a good result and the plastic products companies were profitable.

Three small acquisitions have recently been made to widen the product range and the division should begin to achieve an improvement in results.

In the foundries division the dramatic fall in demand from the automotive industry was the principal reason for a disappointing performance in the first half. But in the last six months, the rate of loss declined significantly due entirely to measures taken by management and did not reflect an upturn in business. An associate in South Africa, Autocast, operated profitably after overcoming some problems early on in the year.

While the strategic measures which have been taken are *expected to result in an improved* performance, the division still requires a greater upturn in demand than can be foreseen at present before returning to an acceptable level of profitably.

In the heating division, Potterton had a successful year, achieving further growth in profits, although the market for domestic central heating boilers remained static. Potterton is well equipped to face the challenge of a difficult market and objectives have been set for continued development and growth.

The home and garden equipment side again significantly increased profits. The lawn mower companies performed particularly well in the face of markets, which were virtually static at home and depressed overseas. The volume of export sales and profit margins there were lower, mainly due to adverse exchange rates. The kitchen furniture company increased its turnover and profit which was contrary to the general trend for its industry.

Against the background of caution in UK retailing, customers have supported the lawn mower companies well for the coming season.

Net borrowings of the group were reduced by £8.6m in the year and, as a proportion of shareholders' funds, have fallen from 44 per cent to 30 per cent.

In current cost terms, there was a pre-tax loss for the year of £4.5m.

See Lex

John Hadland back in profit in second half

For the second six months John Hadland Holdings moved back into the black and for the full year to end December 1981 returned taxable profits of £159,000 compared with £514,000 previously.

By midyear the group, photographic instrumentation manufacturer, had fallen £66,000 into the red at the pre-tax level, against a surplus of £229,000 but in their interim report the directors anticipated moving back into profit in the second half.

Full-year turnover declined *from £4.76m to £4.3m.* Tax took less at £30,000 (£104,000).

Stated earnings per 25p share were well down at 4p (12.8p) but a final dividend of 1.69p brings the total to 2.52p net, as forecast.

The company's shares are traded on the Unlisted Securities Market.

CONTINENTAL UNION

Continental Union Trust has arranged with Manufacturers *Hanover Trust a loan facility of* $5.2m on a multicurrency basis for a further period of five years from January 25 1982.

Gillett Brothers slices total dividend by 8.96p

THE DIRECTORS of Gillett Brothers Discount Company have reduced the final dividend from 10.71p to 1.75p per £1 share, making a net total of 8.75p for the year ended December 31, 1981, compared with the previous year's 17.71p.

After tax and a transfer from contingencies, profits of this discount house emerged at £231,211 for the 12 months, which compares with £574,785 after tax and transfers to contingencies previously.

Depreciation on listed investments has been provided from reserves for contingencies to which the proceeds net of expenses arising from the sale of Kirkland-Whittaker Group have been credited.

Under the terms of the contract of sale, the original purchase consideration has been reduced from £2.12m to £1.75m.

Interim profits, excluding profit arising on the sale of Kirkland-Whittaker Group, were lower than those for the corresponding period, but were better than those for the previous six months.

At year-end the consolidated balance sheet showed: total capital and published reserves at £4.46m (£4.54m), bills discounted £125.98m (£162m) and sterling and dollar certificates of deposit and currency instruments £5.34m (£6.42m). Listed investments totalled £25.56m (£30.35m) and contingent liability on commercial and other bills discounted was £263.29m (£134.39m).

See Lex

Ariel Industries midway loss

TAXABLE LOSSES of £48,300 compared with profits of £56,200 are reported by Ariel Industries for the half year to September 30 1981. Turnover, however, rose slightly from £3.56m to £3.58m.

An unchanged net interim dividend of 0.541p per 25p share has been declared. Stated losses per share were 0.8p against earnings of 0.9p last time. Last year a final dividend of 0.811p was paid.

The directors anticipate that the total net dividend for the year will be "not less than" last year's 1.353p.

This holding company's principal subsidiaries are manufacturers of industrial fasteners, precision engineering products and clothing accessories.

The historical operating profit fell from £79,100 to a loss of £24,100. The current cost operating loss was stated as £112,700.

Net interest payable was £24,200 compared with £22,900. Current cost operating adjustments showed a debit of £88,600 (£111,900). Depreciation rose from a debit of £3,400 to a debit of £25,600; cost of sales were £58,800 (£72,200); monetary working capital was reduced from a debit of £36,300 to a debit of £9,300 and there was a gearing credit adjustment of £5,100.

Little improvement seen in building sector—Bett

THERE are no real signs of recovery in the building industry, says Mr Albert Bett, chairman of Bett Brothers, building and public works contracting group, in his annual statement.

He says the building industry is going through difficult times and it would, in his opinion, be unwise to make an assessment of the current year's results at this stage. He adds: "I foresee little improvement in this situation until there are real signs of a general recovery."

In an endeavour to increase sales in this highly competitive sector, he says the group is to provide an improved comprehensive service to house purchasers in conjunction with its estate agents and insurance brokers, Spalding (Properties), with *whom it now has an increased* investment.

As known, group pre-tax profits for the year to August 31, 1981 were down from £2.26m to £1.72m. There was diminished turnover on the construction side, and all the group's subsidiaries associated with construction were adversely affected by the current economic conditions, the chairman says.

There was one exception, Pitkerro (PHV), the plumbing, heating and ventilation company, which had another relatively successful year following the extension of activities into the Edinburgh and Aberdeen areas.

Bett Inns made an acceptable contribution to the group, despite the closure of two of its establishments during the period of its refurbishment. Bett Brothers (Properties) successfully completed the year by consolidating its portfolio and rental income, despite difficult trading conditions.

Certain shareholders waived the interim dividend aggregating £26,947 and have also waived the proposed final, aggregating £54,390 net—thereby reducing the cost of dividends to the company from £465,000 to £374,663, a saving of £90,337 (£105,225).

At the year-end, current assets were £14.59m compared with £12.5m, including bank balances and cash of £1.24m (£490,782). Net current assets were down from £5.25m to £5.09m. Shareholders' funds improved from £13.84m to £17.18m.

Meeting: Dundee, March 12, at noon.

NOTICE OF REDEMPTION

to the holders of Debentures payable in American Currency of the issue designated

8¼% Sinking Fund Debentures due March 15, 1986, Series BS (herein called "Debentures") of the

QUEBEC HYDRO-ELECTRIC COMMISSION

CANADA

PUBLIC NOTICE IS HEREBY GIVEN that the Quebec Hydro Electric Commission intends to and will redeem for SINKING FUND PURPOSES on March 15, 1982, pursuant to the provisions of the Debentures, the following debentures as indicated, of the above-mentioned issue, at 100% principal amount plus accrued interest to the redemption date, namely:

21	1262	2084	2983	4104	4896	5890	6680	7719	9019	10095	11230	12595	13696	14605	16093	18194
40	1270	2101	3009	4130	4902	5914	6704	7736	9044	10109	11259	12680	13707	14629	16150	18208
64	1300	2164	3026	4147	4934	5932	6749	7757	9089	10136	11281	12686	13738	14647	16198	18329
83	1316	2171	3045	4156	4948	5950	6768	7774	9100	10164	11319	12700	13784	14660	16247	18348
123	1334	2190	3111	4173	4953	6025	6794	7789	9120	10198	11337	12715	13786	14673	16260	18372
145	1372	2200	3140	4190	4969	6082	6805	7800	9145	10209	11372	12729	13810	14697	16314	18425
176	1388	2214	3152	4200	4982	6095	6834	7807	9166	10238	11395	12744	13837	14712	16369	18473
187	1400	2219	3178	4219	5006	6120	6866	7821	9193	10260	11419	12759	13864	14726	16428	18500
208	1410	2255	3200	4237	5028	6134	6891	7838	9214	10279	11445	12783	13881	14755	16491	18519
235	1421	2270	3211	4253	5050	6148	6917	7859	9235	10412	11459	12891	13896	14777	16516	18593
296	1440	2321	3337	4270	5053	6164	6940	7946	9258	10435	11487	12902	13904	14796	16582	18628
312	1458	2332	3349	4283	5068	6177	6951	7967	9296	10451	11513	12919	13948	14811	16631	18673
344	1470	2339	3352	4292	5087	6208	6989	7978	9318	10472	11534	12935	13961	14829	16674	18711
352	1483	2365	3370	4321	5095	6224	6994	7991	9345	10494	11546	12950	13978	14843	16737	18776
395	1500	2376	3391	4328	5104	6250	7027	8000	9363	10521	11616	12964	13999	14860	16769	18817
416	1523	2402	3400	4340	5131	6262	7056	8008	9396	10548	11634	12978	14010	14875	16834	18869
433	1545	2421	3416	4349	5142	6270	7091	8011	9425	10589	11659	12993	14042	14899	16899	18924
470	1566	2433	3430	4364	5215	6281	7106	8056	9476	10595	11863	13024	14063	14910	16928	18975
500	1587	2472	3479	4373	5220	6295	7133	8073	9483	10612	11871	13048	14098	14922	16990	19066
524	1599	2481	3492	4387	5254	6306	7164	8154	9524	10641	11912	13065	14111	14992	17023	19178
545	1611	2495	3513	4399	5266	6317	7183	8175	9545	10664	11949	13082	14129	14998	17070	19283
566	1629	2501	3530	4406	5328	6323	7211	8210	9561	10689	11951	13101	14147	15007	17146	19390
590	1650	2522	3586	4425	5342	6338	7229	8241	9592	10710	12044	13123	14163	15069	17189	19443
601	1661	2530	3633	4448	5357	6347	7258	8256	9614	10833	12075	13150	14184	15135	17217	19534
638	1674	2566	3641	4490	5378	6354	7273	8271	9649	10848	12114	13174	14205	15181	17280	19640
664	1698	2572	3649	4507	5402	6366	7421	8289	9655	10864	12137	13181	14229	15210	17318	19727
687	1709	2599	3673	4532	5416	6379	7455	8300	9673	10897	12150	13219	14258	15282	17373	19846
705	1722	2608	3678	4560	5449	6392	7467	8343	9718	10921	12173	13235	14277	15323	17434	19980
729	1779	2619	3823	4582	5457	6401	7474	8354	9732	10948	12195	13264	14289	15391	17492	
758	1800	2634	3835	4601	5465	6424	7489	8380	9751	10952	12205	13281	14320	15420	17530	
772	1820	2652	3848	4625	5474	6445	7502	8390	9773	10971	12221	13297	14337	15476	17587	
801	1828	2666	3852	4642	5538	6457	7520	8401	9814	10989	12246	13306	14371	15538	17624	
859	1880	2704	3863	4659	5673	6470	7539	8425	9849	11010	12268	13330	14389	15590	17688	
891	1899	2729	3878	4695	5691	6482	7551	8443	9857	11045	12297	13343	14400	15620	17730	
915	1903	2768	3902	4714	5705	6499	7590	8450	9892	11061	12308	13499	14448	15694	17775	
937	1931	2790	3967	4742	5722	6507	7604	8556	9905	11100	12334	13508	14454	15713	17841	
956	1946	2805	4023	4757	5735	6542	7623	8573	9936	11118	12367	13550	14473	15775	17892	
970	1969	2811	4035	4793	5752	6587	7640	8724	9957	11134	12394	13564	14496	15806	17946	
1151	1982	2903	4056	4806	5771	6588	7658	8773	9993	11150	12400	13586	14515	15889	17964	
1223	2029	2921	4067	4822	5796	6623	7679	8821	10025	11161	12410	13607	14546	15934	18014	
1234	2044	2952	4078	4851	5865	6648	7692	8945	10048	11178	12418	13628	14563	15996	18097	
1245	2059	2971	4102	4883	5879	6663	7703	8990	10062	11206	12576	13685	14579	16031	18135	

Debentures to be so redeemed, will become due and payable and will be paid in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts in said United States of America, at the office of the Fiscal Agent, Bank of Montreal Trust Company in the Borough of Manhattan, City and State of New York, United States of America, or at any of the offices of the following Paying Agencies: Bank of Montreal, Montreal, P.Q., Canada; Bank of Montreal, London, England; Kredietbank N.V., Brussels, Belgium; Westdeutsche Landesbank Girozentrale, Dusseldorf, Federal Republic of Germany; Kredietbank S.A. Luxembourg, Grand Duchy of Luxembourg; S. G. Warburg & Co. Limited, London, England; Commerzbank Aktiengesellschaft, Dusseldorf, Federal Republic of Germany; Commerzbank Aktiengesellschaft, Frankfurt, Federal Republic of Germany; Banque Francaise de Depots et de Titres in Paris, France, upon presentation and surrender of Debentures bearing the above numbers, with all coupons maturing after March 15, 1982 attached.

From and after March 15, 1982, interest on the debentures to be so redeemed will cease and interest coupons maturing subsequent to that date will be void.

Dated at Montreal
This 12th Day of February 1982.

Treasurer
QUEBEC HYDRO ELECTRIC COMMISSION

NOTICE OF ISSUE — ABRIDGED PARTICULARS

Application has been made to the Council of The Stock Exchange for the undermentioned Stock to be admitted to the Official List.

Lee Valley Water Company

(Incorporated in England on the 29th July, 1959, by the Lee Valley Water Act, 1959.)

OFFER FOR SALE BY TENDER OF

£5,000,000

9½ per cent. Redeemable Preference Stock, 1989

(which will mature for redemption at par on 31st March, 1989)

Minimum Price of Issue £99 per £100 Stock

yielding at this price, together with the associated tax credit at the current rate, £13.71 per cent.

This Stock is an investment authorised by Section 1 of the Trustee Investments Act, 1961 and by paragraph 10 of Part II of the First Schedule thereto. Under that paragraph, the required rate of dividend on the Ordinary Capital of the Company was 4 per cent. but, by the Trustee Investments (Water Companies) Order 1973, such rate was reduced to 2.5 per cent. in relation to dividends paid during any year after 1972.

The preferential dividend on the Stock will be at the rate of 9½ per cent. per annum and no tax will be deducted therefrom. Under the imputation tax system, the associated tax credit at the current rate of Advance Corporation Tax (3/7ths of the distribution) is equal to a rate of 4 1/14th per cent. per annum.

Tenders for the Stock must be made on the Form of Tender supplied with the Prospectus and must be accompanied by a deposit of £10 per £100 nominal amount of Stock applied for and sent in a sealed envelope to Barclays Bank PLC, New Issues Department, P.O. Box 123, 2, London Wall Buildings, London Wall, London, EC2P 2BU, marked "Tender for Lee Valley Water Company Stock", so as to be received not later than 11 a.m. on Thursday, 25th February, 1982. The balance of the purchase money will be payable on or before Monday, 29th March, 1982.

Copies of the Prospectus, on the terms of which alone Tenders will be considered, and Forms of Tender may be obtained from:—

Seymour, Pierce & Co.,
10, Old Jewry, London, EC2R 8EA.
Barclays Bank PLC,
New Issues Department,
P.O. Box 123, 2, London Wall Buildings, London Wall, London, EC2P 2BU
and
86, Town Centre, Hatfield, Herts., AL10 0JP,
or from the Principal Office of the Company, Bishops Rise, Hatfield, Herts., AL10 9HL.

BIDS AND DEALS

Aitken Hume buys 8.66% of L. & P. Trust

Aitken Hume and its subsidiary Hume Corporation have paid a total of £4.37m for an 8.66 per cent stake in London and Provincial Trust. These shares form part of the 13.75 per cent stake acquired by Investment Intelligence in a dawn raid on London and Provincial last month.

On February 1 Aitken Hume acquired 2,541,070 shares and Hume Corporation 174,130, at first over 160p per share.

Investment Intelligence, a privately held investment management company, is more than 50 per cent owned by Aitken English Company, an investment holding company founded by Lord Beaverbrook in the 1920s.

INTER-CITY INVESTMENT

The Metan Investment Establishment of Davuz, Liechtenstein, has acquired 2.4m ordinary shares in Inter-City Investment Group, representing 25.74 per cent of the equity.

As a result of the sale of shares in the company, Mrs D. Lush and Mrs R. C. Cowan, no longer have a beneficial interest in excess of 5 per cent of the ordinary capital.

The Inter City shares closed 14½p higher at 52p on the Stock Exchange yesterday after being up to 60p at one time. The directors later issued a statement saying "no takeover talks are in progress and they are unaware of any justification for the significant rise in the share price."

ARGUS PRESS HLDGS.

Argus Press Holdings, following the acquisition of Communications Channels of Atlanta, Georgia, last year, has now acquired the following: Syndicate Magazines, St Regis Publications and Larchmont Enterprises—three U.S. specialist publishing companies based in New York. The share capital of Ace Electronics Publications SA, Switzerland, is also included in the acquisition.

The directors of Argus say the acquisitions increase the range of titles published by the company in the U.S. to 25 periodicals and 14 directories. They add that turnover should be increased by more than $25m.

Elders IXL lifts stake in Wood Hall to 29.99%

THE AUSTRALIAN group, Elders IXL, which a week ago announced an agreed take-over bid for Wood Hall Trust, has lifted its equity stake in Wood Hall to 29.99 per cent with market purchases at 215p, which is the bid price.

Elders purchased 4.2m shares, adding to the 12.7 per cent holding which it had accumulated after a "dawn raid" on February 9. It is now barred from making further purchases until after the first closing date of its bid. Fielding Newson Smith, brokers to the bid, said last night that documents would be posted within a few days.

Meanwhile, Wood Hall—which has wide interests in Australia and the Far East—has disclosed notice of sizable purchases of its shares in Hong Kong during the three days after the dawn raid.

Cartago Ltd, a Hong Kong-registered company already holding 1.2m shares of Wood Hall, acquired a further 575,000 shares on February 9, 10 and 11.

The share price opened at 200p on February 9 as a result of the dawn raid bid at that level but rose to about 205p soon after the official opening of the market.

The price rose to 215p, the level of Elders' full bid, around 12 noon on February 10. No indication was given yesterday of how many shares Cartago had bought at this price, which has remained the market level since then.

Neither the principal parties involved in the take-over nor any of their advisers have offered any clue as to the beneficial ownership of Cartago, which now holds 7.24 per cent of Wood Hall.

BSI and Hartons merge plastics subsidiaries

British Syphon Industries and Hartons Group have merged their respective wholly-owned subsidiaries, Tuckers and Visijar Plastics. The two companies will be wholly-owned subsidiaries of a holding company to be called Valiant. 50 per cent of the holding company will be owned by each of BSI and Hartons, which will each hold 50 per cent of the shares of Valiant.

The new group, which will trade under the name of Visijar Tuckers, will bring together two complementary businesses involved in the distribution of plastics and storage products throughout the UK.

The businesses of both Tuckers and Visijar have been adversely affected by the recession and trading conditions have been difficult in the past two years. Tuckers had a net profit before tax of £30,000, including an exceptional credit of £33,000 on sales of £10.1m in the year to December 31 1980. In the same period, Visijar incurred a net loss before tax of £35,000 on sales of £6.3m.

Based on unaudited figures for 1981, Tuckers incurred net losses of £360,000 on sales of £10.6m, and Visijar had net losses of £134,000 on sales of £5.9m.

The board of the new holding company will consist of Mr J. E. Eardley and Mr C. A. J. Biggin from BSI, and Mr M. Maimann and Mr C. R. Austin from Hartons.

The chairmanship will rotate annually between BSI and Hartons, and the first chairman will be Mr Eardley.

Net tangible assets of the new group will amount to approximately £2.2m, contributed equally by BSI and Hartons.

SHARE STAKES

United Scientific Holdings—Atlantic Assets Trust has reduced its holding to 5.8 per cent.

Akroyd and Smithers — Merchant Navy Officers Pension Fund is now the beneficial owner of 1,170,000 ordinary shares (7.31 per cent).

Downs Surgical — Scottish American Investment has acquired 197,000 shares making holding 1,120,000 shares (7.47 per cent).

Town and City Properties—Prudential Corporation is interested in 19,726,353 ordinary shares and 13,679,271 7 per cent convertible cumulative preference shares.

These interests arise as a result of the acceptance by Prudential of Town and City's offer for share capital of Berkeley Hambro Property.

Archimedes Investment Trust—Post Office Staff Superannuation Fund has acquired a further 50,000 shares and now holds 550,000 (44.9 per cent).

Berkeley Exploration and Production — Norwich Union Insurance Group held 5 per cent of the ordinary shares on February 4.

Bertam Holdings — Johore State Economic Development Corporation now holds 4,096,500 ordinary shares (20.4825 per cent).

Stylo—London Trust has sold 125,000 ordinary shares reducing holding to less than 5 per cent.

Capel Court Corporation receives offer

Capel Court Corporation has received a proposal from T. and G. Mutual Life Society and Samuel Montagu and Co. (both major shareholders in Capel Court) to acquire the shares they do not already own in Capel Court for A$1.60 cash per share.

As a result, T. and G. would hold 60 per cent of Capel Court and Samuel Montagu 40 per cent.

On completion, T. and G. and Samuel Montagu will contribute an additional A$15m to the company, raising the capital base of Capel Court to approximately A$32m. This will provide Capel Court with capacity to expand.

T. and G. Mutual Life Society Limited is one of Australia's largest insurance and investment companies, with total assets exceeding A$1.25bn. Samuel Montagu and Co. Limited is a London merchant bank, wholly owned by Midland Bank.

CRODA FORECASTS DIVIDEND BOOST

Croda International's board intends to write in detail to shareholders in the course of next week about the group's excellent prospects for 1982 and beyond.

These support the board's confidence in Croda's future, which is reflected in a forecast of an 86 per cent increase in dividends for 1982.

DEVON DOCK

Mr F. W. S. Carter, Mr R. A. B. Carter and Mr R. C. Carter and the board of Devon Dock have agreed terms for recommended offers to be made by Barclays Merchant Bank on behalf of a company to be formed by the Carters for the ordinary and preference capital of Devon Dock. The terms are: for each £1 of ordinary £8.50 in cash and for each £1 of 3.5 per cent cumulative preference £1 in cash.

Closerule-Saraf has 99.9% of Bazaloni

The offer for Bazaloni Holdings by Closerule in association with Saraf Industries has been accepted as to 38,251 shares, representing 34.47 per cent.

Immediately prior to the offer on December 22 1981 Closerule and Saraf held 105,913 and 57,997 shares (42.33 per cent and 23.18 per cent) respectively.

RTZ/WARD STOCK EXCHANGE TERMS

Rio Tinto-Zinc Corporation has sent to the holders of 7¼ per cent convertible unsecured loan stock 1997-2002 of Thos W. Ward (Ward stock) its recommended proposals for the exchange of their stock either for RTZ 9¼ per cent convertible unsecured loan stock 1995-2000 (RTZ stock) or for cash.

The terms of exchange are £1.96 nominal of RTZ stock credited as fully paid or £1.92 in cash for each £1 nominal of Ward stock. These terms are almost exactly equivalent in value to the offer for Ward's issued ordinary shares of which RTZ now owns or controls over 90 per cent.

Acceptance of the RTZ stock by holders of Ward stock gives a capital increase of 92 per cent and an increase in income of 148 per cent. Interest on the Ward stock will be paid on April 1, 1982 in respect of the period from and including October 2, 1981 to and including the date on which the proposals become effective.

Interest on the RTZ stock to be issued in exchange for the Ward stock will be paid from and including the day following the effective date to and including June 30, 1982 on that day and thereafter by equal half-yearly instalments on June 30 and December 31 in each year.

Mr Peter Frost, the chairman of Ward, in a letter circulated with the proposals, recommends holders to vote in favour of the extraordinary resolutions to be put to a meeting of holders of Ward stock on March 12, 1982 to give effect to these proposals.

CLUFF OIL

Cluff Oil has issued 234,950 ordinary shares of £1 each, credited as fully-paid, in exchange for a 12.5 per cent interest in 167,215 acres of federal leases in Southern Utah in the Overthrust/Hingeline areas over which a third party has agreed to expend a total of $5.6m on exploration during the next five years in order to gain a 50 per cent interest.

Following the allotment of these shares which will rank pari passu in all respects with the existing ordinary shares, the issued share capital of Cluff Oil is £11,722,692 made up of 11,066,164 ordinary shares and 656,528 convertible "A" shares.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1976=100), retail sales value (1976=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unem-ployed	Vacs.
1981							
1st qtr.	99.5	88.7	98	112.7	174.4	2,304	100
2nd qtr.	99.0	88.9	92	111.3	180.6	2,507	89
3rd qtr.	99.9	89.8	104	110.4	185.2	2,627	96
4th qtr.	100.5	89.7		111.1	225.3	2,758	104
June	99.6	89.9	99	111.7	182.7	2,552	83
July	99.7	89.4	101	109.7	185.4	2,582	92
Aug.	99.7	89.7	126	111.0	185.6	2,626	98
Sept.	100.3	90.4	87	110.6	184.7	2,673	97
Oct.	102.0	91.5	97	112.0	196.7	2,729	99
Nov.	100.3	89.8		111.0	210.9	2,764	104
Dec.	99.2	87.7		110.4	259.6	2,782	108
1982							
Jan						2,829	114

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1980							
4th qtr.	94.3	91.6	117.1	86.6	71.0	77.2	10.1
1981							
1st qtr.	93.6	88.3	117.1	84.1	75.7	76.7	10.9
2nd qtr.	93.2	88.7	117.9	84.8	78.7	75.9	14.1
3rd qtr.	93.9	89.3	118.4	86.3	77.3	75.2	14.2
4th qtr.	93.8	89.1	121.3	85.8	82.3	74.5	11.7
July	94.0	89.0	118.0	86.0	77.0	75.0	14.5
Aug	94.0	89.0	118.0	86.0	76.0	76.0	12.5
Sept	94.0	90.0	119.0	87.0	79.0	75.0	15.4
Oct	95.0	90.0	124.0	87.0	86.0	75.0	13.4
Nov	93.0	89.0	121.0	85.0	83.0	75.0	14.1
Dec	93.0	88.0	119.0	85.0	78.0	73.0	7.7

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1980							
4th qtr.	126.6	111.8	+1,265	+2,114	+222	105.2	27.90
1981							
1st qtr.		107.0					28.34
2nd qtr.							26.73
3rd qtr.							24.26
4th qtr.	135.8	132.3	+748	+1,248	+705	99.8	23.35
Feb	121.7	114.3	+314	+755	+231	105.2	28.43
March		105.5					28.21
April		106.2					28.07
Sept	130.2	135.3	+ 13	+114	+290	100.0	23.70
Oct	133.9	126.3	+366	+532	+ 89	98.9	23.32
Nov	139.8	141.7	+51	+218	+214	100.2	23.46
Dec	133.8	129.0	+331	+498	+402	100.4	23.35
1982							
Jan							23.23

Trade figures for March-August not available because of Civil Service dispute.

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1980							
4th qtr.	8.8	20.2	11.2	+3,352	1,253	1,793	14
1981							
1st qtr.	6.8	8.8	12.4	+1,308	1,081	1,884	12
2nd qtr.	23.1	17.3	6.5	+4,250	1,103	1,936	12
3rd qtr.	8.1	18.1	29.7	+5,951	868	2,019	
4th qtr.				+2,184	422	1,980	
June	21.9	17.8	8.6	+1,164	371	674	12
July	14.2	17.2	19.8	+2,240	290	658	12
Aug	0.8	14.5	35.4	+1,246	244	659	—
Sept	9.7	22.8	34.3	+2,465	334	706	—
Oct	− 4.7	20.2	24.0	+1,557	154	681	—
Nov	7.6	17.3	20.4	+ 443	65	642	—
Dec				+ 184	203	657	—
1982							
Jan					356		

INFLATION—Indices of earnings (Jan 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earn-ings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1981							
1st qtr.	195.3	213.8	212.3	280.4	268.7	261.56	101.4
2nd qtr.	202.2	225.8	219.4	294.0	277.0	245.07	97.8
3rd qtr.	209.9	235.9	224.1	299.1	278.8	260.83	90.6
4th qtr.		237.3	229.2	306.5	285.6	248.97	89.7
July	207.6	233.0	222.2	297.1	279.6	275.81	92.5
Aug	210.4	236.8	224.1	299.3	277.3	257.64	91.2
Sept	211.7	237.9	225.9	301.0	279.6	260.83	88.0
Oct	212.5	238.2	227.8	303.7	282.7	259.12	88.2
Nov	214.3	236.9	229.4	306.9	285.5	245.79	90.1
Dec	216.8	236.8	230.5	308.8	288.5	248.97	90.8
1982							
Jan		238.7	232.9	310.6	296.1	252.94	91.1

* Not seasonally adjusted.

COMPANY NOTICES

PUBLIC NOTICES

Nickel stake increases losses for McIntyre

BY KENNETH MARSTON, MINING EDITOR

A YEAR ago Canada's McIntyre Mines announced a 41 per cent fall in net profits for 1980 to C$21.7m, blaming the setback on that experienced by the 37 per cent-owned Falconbridge Nickel. At that time there was the hope that the nickel market would recover in the second half of the year.

History now repeats itself. McIntyre reports a 1981 fourth quarter loss of C$10.6m (£4.7m) which leaves the natural resource company with a net operating loss for the year of C$7.8m, excluding extraordinary charges. The company points out that its stake in Falconbridge Nickel produced a loss of C$1.7m compared with a reduced profit in 1980 of C$24.7m.

While the nickel investment has been pulling earnings back, McIntyre's coal operations have been doing well. Coal sales in 1981 rose to 1.9m tons from 1.68m tons, production of raw coal being higher at 3.1m tons compared with 2.3m tons in 1980.

As in 1980, metal market observers are again expecting a revival in markets later in the year. They may well be right, bearing in mind the fact that most metals, especially nickel, are in a better statistical position now thanks to the cuts in production which have taken place.

The latest review by Metals Analysis and Outlook, reported below, underlines this view. In the meantime, however, the metal producing industry still anxiously awaits the first real signs of an upturn in demand.

Dearer metals seen by year-end

BETTER prices for metals by the end of 1982 are regarded as "inevitable" by Metals Analysis and Outlook in a new review of base and precious metals, writes Roy Hodson.

While acknowledging that there can be little comfort for metal producers in the short term the London group of analysts emphasises that current metal stock levels are well below those prevailing in the 1975-77 recession.

It comments: "with consumption expected to improve against a background of static or falling supplies, stock liquidity by the end of 1982 (the ratio of stocks to annual consumption) should be approaching levels last seen in 1979 before the 1980 metal price boom."

Metals Analysis forecasts that prices will respond to those changed circumstances and there will be a gradual, rather than explosive, upturn in metal prices which will continue to be constrained by the strict monetary environment.

The Metals Analysis and Outlook price index for metals now standing at 105 (the lowest level for three years) is forecast to rise to provide an average level of 115 for the whole of 1982.

That indicates price increases for the various metals averaging 35 per cent between now and the end of the year.

The group calculates that industry revenues for nine leading metals declined from US$73.5bn (£40bn) in 1980 to $57bn in 1981 and currently are running at a rate of only $50bn a year.

Copper production is expected to be held worldwide this year at around the 1981 level of 7.2m tonnes. But with consumption gathering pace towards the end of the year severe market shortages of good metal are forecast for early-1983.

Consumption of lead is expected to increase in all uses during 1982, particularly in new battery production. MAO expects the average lead price for 1982 to be 40 U.S. cents a pound compared with the current 28 cents.

Tight supplies of zinc concentrates are expected by MAO to help underpin prices this year and the group forecasts an average zinc price for the year of 43-47 cents a pound compared with the current level of around 38 cents.

MAO claims that aluminium consumption has bottomed and should now begin to register a modest recovery. Judging by new figures from the International Primary Aluminium Institute, however, that view may be too optimistic. Only a week ago the institute published an analysis saying that stocks of unsold ingot metals had started to fall towards the end of last year and were down to 2.9m tonnes by the year's end.

That analysis has been hastily revised. New figures published yesterday show that unsold stocks of ingots in fact rose at the end of 1981 to a new record level of 3,083,000 tonnes.

MAO still expects London Metal Exchange aluminium prices to improve during the year to reach 85 cents a pound by the end of 1982 compared with the present level of about 50 cents.

Tin prices are acknowledged to depend more upon the activities of the influential buyers managing the market at present than on industrial and market demand.

MAO takes a cheerful view on both gold and silver. It expects a strong rally in the gold bullion price to perhaps beyond $500 an ounce compared with the present level of around $378. An average silver price for 1982 in excess of $10 an ounce is forecast compared with the current $8.50 an ounce.

Edwards & Jones back in the family

FOURTEEN YEARS after selling 95 per cent of his family company, Edwards and Jones, to Eltra Corporation of New York, the chairman, Mr John Harp, and three other Edwards and Jones's directors, with the assistance of County Bank, are buying back the business.

Since 1968, the Edwards and Jones group, based at Stoke-on-Trent, has grown considerably and now has a turnover approaching £7m and a workforce of over 250 at its three sites. Nearly 50 per cent of group products go overseas, of which 30 per cent are exported to the U.S.

The completion of the deal, which cost the new owners £1.4m, was achieved after advice from County Bank, which is also taking a 5 per cent interest in the share capital of the company.

In 1979, Eltra was itself the subject of an acquisition by Allied Corporation of New Jersey, who ultimately decided that Edwards and Jones no longer fitted into its long-term objective to move into the oil and oil-related industries.

Mr Harp said yesterday: "I am very excited that we have regained control of my old family company. We have an experienced management team, a loyal workforce and, above all, a range of highly developed products. We are looking forward to long-term growth, particularly in our export markets."

Edwards and Jones manufactures filter presses, pumps, ceramic machinery and equipment for major process industries such as chemicals, food and coal.

Shimco (UK) bought-out for £165,000

The principal properties, trading assets and business of Shimco (UK) have been acquired for £165,000 cash by a private investment group, including the managing director of Shimco, Mr Sonny Jafri. He has been with the company since 1973 and instigated the buy-out. Forecast 1982 turnover is £1.2m; in 1981 it was approximately £1m.

Shimco (UK) was put into liquidation in November and the management buy-out enables the business to be properly capitalised so that it can build and expand in the future. Assets acquired were valued in the last balance sheet at about £500,000.

Shimco, based at Feltham, Middlesex, operates six retail outlets in the south-east (Kensington, Richmond, Woking, Guildford and Brighton, together with a concession in Peter Robinson at Oxford Circus). It retails shoes and handbags, the majority of which are now imported from Italy.

The wholesale operations of Shimco will also be continued and developed; these will be run as a separate division both administratively and from a merchandising point of view, under the name of Palle. The holding company of the operations will be Bridgepower.

Mr Jafri said Shimco offers scope for expansion and development in the future. There are already plans for opening new units and the first of these is planned for next month.

Substantial support was given to the purchasers by Barclays Bank. The group has been advised in the structuring and financing of the proposals by Venture Advisers, which specialises in raising finance for small and medium size private companies with emphasis on maangement buy-outs.

IN BRIEF

ROBERT H. LOWE (clothing manufacturer) — Results for the year to October 30 1981, reported January 9 with chairman's observations on prospects. Group shareholders' funds £2.7m (£2.4m). Fixed assets £1.04m (£1m). Net current assets £1.93m (£1.88m). Meeting, Congleton, on March 5 at noon.

NORTH MIDLAND CONSTRUCTION (civil engineer and public works contractor)—Results for the year to August 31 1981 already known. Shareholders' funds £894,532 (£680,756). Fixed assets £1.42m (£0.89m), after hire purchase liability £219,385 (£329,440). Net current assets £356,981 (£488,811). Net decrease in working capital £53,439 (£82,951 increase). Meeting: Nottingham: March 17, noon.

BLUNDELL-PERMOGLAZE HOLDINGS (building industry paintmaker and supplier)—Results for the year to October 31 1981, reported February 5. Group shareholders' funds £9m (£8.19m). Fixed assets £4.8m (£4.34m). Net current assets £8.13m (£7.25m). Meeting, Connaught, WC, on March 10, at noon.

SAXON OIL—Pre-tax profit for six months to December 31, 1981, £65,170 (£250,051 loss for 13 months to June 30, 1981) sales of oil and gas £75,509 (£16,835): cost of production £37,925 (£3,354); operating and administrative expenses £147,943 (£156,020); trading loss £110,359 (£142,539). Depreciation £94,773 (£10,203): operating loss £205,132 (£152,742); interest income £271,302 (64,622); interest charges nil (£161,931); tax £22,088 (nil). Company currently estimates that of its original £15m of share capital, some £12.5m is committed to agreed work programmes on its 7th Round Licences, and close to £1m on other oil and gas exploration and developments projects in the UK and U.S.

WESTMINSTER PROPERTY GROUP—Results for year to September 30, 1981 reported on February 4, 1982. Shareholders' funds £9.09m (£4.73m); current assets £3.51m (£305,677), including work in progress £3.11m (£280,480) and debtors £389,878 (£24,512). Capital commitments contracted for, but not provided for, in the accounts in respect of the UK group amounted to £3.97m (£61,000). Meeting: Abercorn Rooms, Bishopsgate, EC, March 24, at 11.30 am.

Martin the Newsagent sales ahead so far

RETAIL SALES of Martin the Newsagent, exclusive of VAT, for the first 19 weeks of the current year to February 7, were £46.08m, Mr J. Martin, chairman, told shareholders at the AGM. He pointed out that this was an increase of 12 per cent over sales for the same period last year.

Referring to the acquisition of 25 High Street retail outlets, reported last week, Mr Martin said these are in the southern counties and conform to the type of retailing carried out by the company.

The acquisition, he added, was scheduled for completion later this month and would add about 40,000 sq ft to total trading area, help spread overheads and would expand business for the company's warehousing and distribution.

Mr Martin pointed out that the company was continuing to expand with individual outlets. Seven new sites are being opened, five existing businesses are being bought, and six existing branches are being redeveloped. This would add 45,000 sq ft to retail trading area this year, he said.

The sale of branches becoming uneconomic would continue and, with the sale of 15 branches, Mr Martin said trading area would be reduced by 12,000 sq ft.

He said that total net trading area was likely to be about 680,000 sq ft at the end of the financial year, an increase of 12 per cent.

Yearling bonds total £13m

Yearling bonds totalling £13m at 14¼ per cent redeemable on February 23, 1983 have been issued this week by the following local authorities.

Kirklees Metropolitan BC £1.5m; Rotherham (Metropolitan Borough of) £0.5m; Blaenau Gwent (Borough of) £0.25m; Purbeck DC £0.5m; Wellingborough DC £0.25m; London (Corporation of) £1m; Dundee (City of) DC £1m; Sandwell (Metropolitan Borough of) £1.5m; Cyngor Dosbarth Dwyfor (District Council of Dwyfor) £0.5m; Kensington and Chelsea (Royal Borough of) £1m; Leeds (City of) £2.5m; Slough (Borough of) £0.5m); South Wight BC £0.75m; Newport BC £1m; Woodspring DC £0.25m.

Nithsdale DC has issued £0.5m of 15¼ per cent bonds for redemption on February 12, 1986.

Norfolk Capital

For some months Sir Maxwell Joseph's aggregate shareholding in Norfolk Capital Group has exceeded 30 per cent of its issued ordinary share capital, which has inadvertently not been known. However, the excess over 30 per cent, totalling 74,881 ordinary shares, has now been sold and following this, his holding including family interests, remains as previously stated at 5,692,175 ordinary (29.99 per cent).

AF giving priority to expansion of its fast food restaurants

EXPANSION OF the fast food restaurants division, which contributed increased trading profits of £458,000, against £401,000 for 1980-81, is being given priority attention by the directors of Associated Fisheries in the current year, Mr H. K. FitzGerald, chairman, tells members in his annual statement.

He reveals that in addition to normal financing requirements there are now funds available within the group for investment and that the board's policy will be to support the development of its profitable activities.

The board is also aiming to broaden and possibly diversify, the base of future earnings and with this in mind is considering potential investment opportunities in the U.S., in which context appropriate corporate arrangements are being made.

The chairman says a proportion of the total U.S. dollar funds available will be allocated for the development of W. G. White, which was established as a wholly-owned subsidiary in California towards the end of last year in order to facilitate the development of the group's trading business in North America both as to caviar and other speciality foods.

The remainder of the available funds will be retained on deposit or in readily marketable securities pending identification of longer term investments, the chairman adds.

As reported on February 6, rationalisation measures taken by the group in 1979-80 averted a recurrence of that year's heavy losses in the 12 months ended September 30 1981 and the group's financial costs were reduced by a conservative approach to capital expenditure and working capital.

Taxable profits for the year recovered from just £5,000 to £2m, although turnover was lower at £62.64m, compared with £68.68m. In his statement the chairman reiterates the directors' report at the time of the preliminary figures that it is too early to predict the outcome of the current year which will largely depend on the general level of economic activity and the extent to which the prevailing difficulties of the group's trawling interests are containable.

The increased results for the past year enabled the group effectively to eliminate short-term bank borrowings and at year end there was an improvement in liquidity of £4.88m. The cost of the redemption of the 7½ per cent unsecured loan stock, due on March 31 and amounting to some £2.2m, will be met out of these increased cash resources.

The group balance sheet shows shareholders' funds at £23.2m (£20.43m), fixed assets of £19.46m (£15.26m) and net current assets of £9.15m (£8.58m). Directors' emoluments are shown to have fallen from £193,000 to £155,000. Meeting will be at St Ermins Hotel, Caxton Street, SW, on March 11 at noon.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims: Consolidated Plantations, William Ransom, Reliance Knitwear, Scottish and Mercantile Investment, Sime Darby.

Finals: Adams and Gibbon, Channel Islands and International Investment Trust, Goode Durrant and Murray, Metal Bulletin, Newbold and Burton, Tribune Investment Trust, Trust of Property Shares, William Whittingham.

FUTURE DATES

Interims—	
Elders IXL	Mar 2
Jos Holdings	Feb 22
Finals—	
General Mining Union Corpn.	Mar 4
Home Charm	Mar 2
IMI	†Mar 16
Liverpool Daily Post and Echo	Mar 18
Midland Bank	Mar 19
Sharpe and Fisher	Mar 18
Trade Indemnity	Mar 16
Unilever	Mar 2
Unilever NV	Mar 2

† Amended.

SECURITY CENTRES

Security Centres Holdings has purchased Safeguard Alarms of Birmingham for £43,000 cash.

Mackworth-Young joins Charter Consolidated

Mr G. W. Mackworth-Young has been appointed a director of CHARTER CONSOLIDATED. He is chairman of Morgan Grenfell and Co and a director of Lloyds Bank, the Union Discount Company of London, Willis Faber and the Halifax Building Society (London board). He is also chairman of the Industrial Development Advisory Board.

Mr F. J. Briggs has resigned as chairman and director of the ELLIOTT GROUP of Peterborough. Mr T. D. Leece has been appointed chairman and Mr S. H. Kite becomes a director of the Elliott Group. Mr Leece is managing director and Mr Kite a director of Jenks and Cattell, which recently acquired Elliott against fierce opposition.

Mr M. L. Weinstein has been appointed joint managing director of ERNEST JONES (JEWELLERS).

Mr L. B. Whittaker has become chairman and chief executive of EVERSHED POWER-OPTICS following its acquisition by Radamec of which Mr Whittaker is chairman and managing director. Also appointed as directors are Mr A. J. Straker, director and general manager, defence division, Mr C. Jones, finance director, Mr N. Falkner and Mr A. W. Whittaker, non-executive directors, and they, with Mr Whittaker and Mr R. M. Wardrop, form the new EPO board.

Mr A. Mc Q. Hughes and Mr G. V. Harnett have been appointed to the board of the GODSELL (LDA) GROUP. Mr M. Burnett has joined the board of Godsell Municipal, a subsidiary of the Godsell (LDA) group.

Mr Brian Parks has been appointed deputy managing director of the protective coatings division of INTERNATIONAL PAINT. Later this year he becomes managing director of the division. He was director and general manager of International Paint (Gulf), Dubai.

Mr N. M. Rowe has been appointed managing director of DINERS CLUB in the UK from February 22. Mr Rowe, a vice-president of Citibank, succeeds Mr D. McCallum who is returning to the National Westminster group. Diners Club Inc was acquired by Citicorp in 1981 and is jointly owned in the UK by Citicorp and the National Westminster Bank.

On medical advice Mr Kenneth C. Russell, financial director, will retire from the board of the MOSS ENGINEERING GROUP on March 31. Mr Brian Screaton joins the company as group accountant on March 1.

AM AND S EUROPE has made the following board appointments: Mr J. M. Hodgson as finance director; Mr C. A. Holroyd as marketing director; Mr A. C. Perrins as director smelting operations (and general managing, Commonwealth Smelting); and Mr J. B. P Squire as raw materials director. AM and S Europe is a wholly-owned subsidiary of Australian Mining and Smelting, which is owned by CRA. CRA is 57.2 per cent owned by the Rio Tinto Zinc Corporation.

Mr Peter Livsey has been appointed managing director of HARRIS PRESS AND SHEAR, division of the UK-based American Hoist.

At VAUXHALL MOTORS, Mr John G. Bagshaw, formerly director of passenger car marketing-UK, has been appointed director of passenger car operations. Mr Des Vallance continues as director of passenger car manufacturing. Mr Edward P. Naegeli, formerly director of manufacturing engineering, is appointed director of commercial vehicle manufacturing.

Major C. F. Rose has been appointed chief inspecting officer of railways to succeed Lieut Col I. K. A. McNaughton who is retiring at the end of March.

Earl Jellicoe has been appointed to the BRITISH OVERSEAS TRADE BOARD. Since 1978 he has been chairman of Tate and Lyle and is a director of S. G. Warburg and Co, Sotheby Holdings, Smiths Industries and Morgan Crucible.

Mr Dawson T. Williams has been appointed general manager of EASTERN COUNTIES OMNIBUS COMPANY in succession to Mr Bernard Rootham, who is retiring at the end of June. Mr Williams is at present chief engineer of Hants and Dorset, and takes up his new appointment on April 1.

Heading the restructured marketing operation of BTR INDUSTRIES is Mr Lionel Stammers, who has been promoted to the newly-created post of chief executive (operations).

Mr Tony Williams, managing director of the WILLIAMS LEA GROUP, printers, has been appointed chairman in succession to Mr David Donne.

Dollar recovers

The dollar recovered in late trading yesterday in a slightly delayed reaction to a rise in U.S. prime rates to 17 per cent. Earlier in the day the U.S. unit had lost ground, reflecting some nervousness ahead of leading U.S. economic indicators and lower Euro-dollar rates.

Sterling resisted the dollar's late rise to show a net gain from Tuesday. It was also firm against European currencies.

DOLLAR — Trade weighted index (Bank of England) 113.0 against 113.4 on Tuesday and 112.9 six months ago. Three-month Treasury bills 14.60 per cent (15.57 per cent six months ago). Annual inflation 8.9 per cent (9.6 per cent previous month)—The dollar finished at its best level of the day, closing at DM 2.3990 against the D-mark compared with DM 2.3950 and SwFr 1.9150 from SwFr 1.9110. It was slightly easier against the Japanese yen however at Y240.50 from Y240.60.

STERLING — Trade weighted index 91.7, unchanged from noon and opening calculations and up from 91.6 on Tuesday (91.3 six months ago). Three-month interbank 14¼ per cent (14¼ per cent six months ago). Annual inflation 12 per cent (unchanged from previous month)—Sterling opened at $1.8400 and traded within a narrow range of $1.8340-1.8420. It closed at $1.8350-1.8360, a rise of 40 points. Against the D-mark it rose to DM 4.4050, its highest level since last September and compared with DM 4.3900 on Tuesday. It was also higher in terms of the Swiss franc at SwFr 3.5175 from SwFr 3.5050 and finished at its best level since last June against the French franc at FFr 11.1750 compared with FFr 11.1275 on Tuesday.

D-MARK — EMS member (third weakest). Trade weighted index unchanged at 120.9 (115.8 six months ago). Three-month interbank 10.275 per cent (12.925 per cent six months ago). Annual inflation 6.3 per cent (unchanged from previous month)—Trading was quiet in Frankfurt ahead of the release of U.S. economic indicators. The dollar was fixed at DM 2.3870 compared with DM 2.3984, with lower Euro-dollar rates contributing to the fall. Sterling rose to DM 4.3810 from DM 4.3690 and the Swiss franc continued to improve being fixed at DM 1.2528 against DM 1.2499. The French franc was easier however at DM 39.39 per FFr 100 from DM 39.4050. Later trading saw the dollar recover to DM 2.3975.

BELGIAN FRANC — EMS member (weakest). Trade weighted index 103.9 against 103.7 on Tuesday and 104.3 six months ago. Three month Treasury bills 15.15 per cent (15.75 per cent six months ago). Annual inflation 8.3 per cent (8.1 per cent previous month)—The Belgian central bank spent the equivalent of BFr 8.8bn in the foreign exchange market last week supporting the Belgian franc, according to figures released yesterday. This is the highest weekly total this year and is considerably higher than the previous week's figure of BFr 6.7bn. The amount of assistance given helps to highlight the continued speculation against the franc which remains very weak against its EMS partners. At yesterday's fixing in Brussels, the dollar fell to BFr 40.6975 from BFr 40.8475 while sterling was higher at BFr 74.8250 from BFr 74.8125. The D-mark rose to BFr 17.0445 from BFr 17.0340 and the Dutch guilder to BFr 15.5550 from BFr 15.5465.

THE POUND SPOT AND FORWARD

Feb 17	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.8340-1.8420	1.8350-1.8360	0.30-0.40c dis	−2.29	0.92-1.02dis	−2.11
Canada	2.2310-2.2380	2.2350-2.2360	0.07-0.17c dis	−0.64	0.55-0.70dis	−1.12
Nethlnd.	4.80½-4.83½	4.82¼-4.83¼	1½-1½c pm	3.42	5-4⅞ pm	3.93
Belgium	74.65-75.00	74.85-74.95	15-30c dis	−3.61	40-60 dis	−2.67
Denmark	14.35-14.43	14.41½-14.42½	¼-⅛ore dis	−0.34	2½-3¾ dis	−0.77
Ireland	1.2435-1.2510	1.2485-1.2505	0.30-0.42p dis	−3.46	1.10-1.27dis	−3.79
W. Ger.	4.38-4.41	4.40-4.41	1¼-1⅛pf pm	3.74	4½-4¼ pm	4.03
Portugal	127.00-128.75	127.15-127.45	45-160c dis	−9.66	155-410 dis	−8.88
Spain	185.40-186.20	185.70-185.90	5c pm-20 dis	−0.48	65-95 dis	−1.72
Italy	2337-2345	2343-2345	11-14lire dis	−6.40	39-42 dis	−6.91
Norway	10.89-11.03	11.00-11.01	2-1ore pm	1.63	1 pm-par	0.18
France	11.13-11.18	11.17-11.18	¼c pm-¾ dis	−0.27	2½-3½ dis	−1.07
Sweden	10.65-10.68	10.66½-10.67½	par-¼ore dis	−0.42	2¼-1½ pm	0.80
Japan	438-442	441-442	2.85-2.55y pm	7.34	8.50-8.25 pm	7.63
Austria	30.73-30.87	30.80-30.85	16-12gro pm	5.25	39-33½ pm	4.64
Switz.	3.49½-3.52½	3.51¼-3.52¼	1⅝-1½c pm	5.54	5½-4⅞ pm	5.83

Belgian rate is for convertible francs. Financial franc 83.10-83.20. Six-month forward dollar 1.70-1.80c dis. 12-month 3.05-3.20c dis.

THE DOLLAR SPOT AND FORWARD

Feb 17	Day's spread	close	One month	% p.a.	Three months	% p.a.
UK†	1.8340-1.8420	1.8350-1.8360	0.30-0.40c dis	−2.29	0.92-1.02dis	−2.11
Ireland†	1.4735-1.4765	1.4735-1.4755	0.21-0.11c pm	1.30	0.70-0.55 pm	1.89
Canada	1.2154-1.2182	1.2177-1.2182	0.15-0.13c pm	1.43	0.32-0.29 pm	1.02
Nethlnd.	2.6130-2.6290	2.6250-2.6290	1.35-1.25c pm	5.96	4.09-3.99 pm	6.16
Belgium	40.65-40.81	40.78-40.81	2-5c dis	−1.03	18-20 dis	−1.87
Denmark	7.8175-7.8850	7.8450-7.8550	0.85-0.70ore pm	1.19	0.75-0.45 pm	0.31
W. Ger.	2.3830-2.4000	2.3985-2.3995	1.20-1.15pf pm	5.88	3.64-3.59 pm	6.03
Portugal	69.25-69.75	69.30-69.50	15-75c dis	−7.79	50-185 dis	−6.78
Spain	100.95-101.30	101.20-101.25	15-5c pm	1.18	10 pm-5 dis	−0.10
Italy	1272½-1278	1276-1278	3½-4¼lire dis	−3.65	14-15½ dis	−4.63
Norway	5.9780-6.0050	5.9850-5.9950	1.85-1.75ore pm	3.61	3.65-3.45 pm	2.37
France	6.0550-6.0915	6.0865-6.0915	1.20-1.05c pm	2.23	1.90-1.65 pm	1.17
Sweden	5.7950-5.8225	5.8050-5.8150	0.85-0.70ore pm	1.60	4.00-3.85 pm	2.71
Japan	238.75-240.55	240.45-240.55	1.95-1.80y pm	9.35	5.85-5.75 pm	9.60
Austria	16.72⅞-16.77½	16.76-16.77	11-10gro pm	7.52	30-27 pm	6.80
Switz.	1.9030-1.9160	1.9145-1.9155	1.35-1.25c pm	8.15	3.80-3.70 pm	7.83

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY MOVEMENTS

Feb.17	Bank of England Index	Morgan Guaranty Changes%
Sterling	91.7	−32.4
U.S. dollar	113.0	+5.8
Canadian dollar	88.2	−17.5
Austrian schilling	115.4	+24.2
Belgian franc	103.9	+7.4
Danish kroner	85.2	−11.8
Deutsche mark	120.9	+42.4
Swiss franc	152.1	+103.6
Guilder	113.5	+19.2
French franc	79.6	−15.3
Lira	55.1	−57.6
Yen	136.5	+30.4

Based on trade weighted changes from Washington agreement December, 1971. Bank of England Index (base average 1975=100).

CURRENCY RATES

Feb. 16	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.614238	0.558685
U.S. $	12	1.12467	1.02128
Canadian $	14.87	1.37052	1.24371
Austria Sch.	6¾	18.9158	17.1727
Belgian F.	14	45.9400	41.7319
Danish Kr.	11	8.82585	8.02569
D mark	7½	2.69741	2.45157
Guilder	8½	2.95620	2.68647
French Fr.	9½	6.84249	6.21906
Lira	19	1437.89	1305.70
Yen	5½	270.933	246.127
Norwgn. Kr.	9	6.75702	6.13889
Spanish Pts.	8	114.008	103.547
Swedish Kr.	11	6.53959	5.95659
Swiss Fr.	6	2.15802	1.95881
Greek Dr'ch.	20½	—	63.0740

OTHER CURRENCIES

Feb. 17	£	$		£ Note Rates
Argentina Peso	18,436-18,456†	10,000-10,050†	Austria	30.65-30.95
Australia Dollar	1.7030-1.7050	0.9280-0.9285	Belgium	82.70-83.70
Brazil Cruzeiro	254.71-255.71	138.36-139.05	Denmark	14.33-14.47
Finland Markka	8.313-8.326	4.5300-4.5320	France	11.10-11.20
Greek Drachma	110.577-113.982	61.55-61.45	Germany	4.37-4.41
Hong Kong Dollar	10.881-10.901	5.9170-5.9280	Italy	2315-2380
Iran Rial	149.60*	81.80*	Japan	440-449
Kuwait Dinar (KD)	0.521-0.527	0.2854-0.2856	Netherlands	4.78¼-4.82¾
Luxembourg Fr.	74.85-74.95	40.79-40.81	Norway	10.96-11.06
Malaysia Dollar	4.2885-4.2985	2.3340-2.3360	Portugal	123¾-129
New Zealand Dlr.	2.3280-2.3320	1.2685-1.2695	Spain	184¾-194¼
Saudi Arab. Riyal	6.25-6.31	3.4195-3.4215	Sweden	10.63-10.73
Singapore Dollar	3.9075-3.9175	2.1260-2.1280	Switzerland	3.49-3.53
Sth. African Rand	1.8050-1.8070	0.9835-0.9845	United States	1.83-1.85
U.A.E. Dirham	6.72-6.78	3.6715-3.6735	Yugoslavia	94-99

† Now one rate. * Selling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU February 17	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	40.7572	41.7590	+2.46	+1.27	±1.5368
Danish Krone	7.91117	8.02837	+1.48	+0.29	±1.6412
German D-Mark	2.40989	2.45092	+1.70	+0.51	±1.1077
French Franc	6.17443	6.22227	+0.77	−0.42	±1.3733
Dutch Guilder	2.66382	2.68553	+0.81	−0.38	±1.5063
Irish Punt	0.684452	0.696120	+1.70	+0.51	±1.6688
Italian Lira	1300.67	1308.11	+0.57	+0.23	±4.1229

Changes are for ECU, therefore positive change denotes a week currency. Adjustment calculated by Financial Times. Sterling/ECU rate for February 17 .... 0.558031

EXCHANGE CROSS RATES

Feb. 17	Pound St'rling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1	1.836	4.405	441.5	11.175	3.518	4.828	2344.	2.236	74.90
U.S. Dollar	0.545	1.	2.400	240.5	6.088	1.916	2.630	1277.	1.218	40.81
Deutschemark	0.227	0.417	1.	100.2	2.537	0.799	1.096	532.1	0.507	17.00
Japanese Yen 1,000	2.266	4.157	9.977	1000.	25.31	7.967	10.93	5309.	5.063	169.6
French Franc 10	0.895	1.643	3.942	395.1	10.	3.148	4.320	2098.	2.000	67.02
Swiss Franc	0.284	0.522	1.252	125.5	3.177	1.	1.372	666.4	0.636	21.29
Dutch Guilder	0.207	0.380	0.912	91.46	2.315	0.729	1.	485.6	0.463	15.52
Italian Lira 1,000	0.427	0.783	1.879	188.4	4.767	1.501	2.060	1000.	0.954	31.95
Canadian Dollar	0.447	0.821	1.970	197.5	4.999	1.573	2.159	1049.	1.	33.50
Belgian Franc 100	1.335	2.451	5.881	589.5	14.92	4.696	6.445	3130.	2.985	100.

FT LONDON INTERBANK FIXING (11.00 a.m. FEBRUARY 17)

3 months U.S. dollars		6 months U.S. dollars	
bid 16 5/8	offer 16 3/4	bid 16 5/8	offer 16 3/4

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

Feb. 17	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term	14¼-14½	16⅝-16⅞	13-14	10⅛-10¼	2½-2¾	9⅝-9¾	13¾-14¼	17½-19½	13-15	5½-5¾
7 days' notice	14¼-14½	16⅝-16⅞	13-14	10⅛-10¼	2¾-3¼	9⅞-10	13¾-14¼	19-21	15-17	5⅞-6
Month	14⅞-14⅝	16¼-16¾	15-15⅝	10⅛-10¼	7½-7⅝	10⅛-10¼	14-14½	20⅝-21⅝	17½-18½	6⅛-6¼
Three months	14⅝-14¾	16½-16¾	15½-15⅞	10⅛-10⅜	8⅛-8¼	10¼-10⅜	15-15½	21⅝-22¼	18¼-19¼	6⅜-6½
Six months	14¾-14⅞	16½-16¾	16-16⅝	10⅛-10⅜	8⅝-8¾	10¼-10⅝	16-16½	22-22⅝	18¼-19¼	6¾-6⅞
One Year	14¾-14⅞	16¼-16½	16⅜-16¾	10⅛-10⅜	8⅜-8½	10⅛-10¼	16⅝-17⅛	22½-23⅜	17-18	7-7⅛

SDR linked deposits: one month 13½-13⅞ per cent; three months 13¾-14⅛ per cent; six months 13⅞-14¼ per cent; one year 13⅞-14¼ per cent.
ECU linked deposits: one month 13⅛-13½ per cent; three months 13⅝-14 per cent; six months 13¹⁵⁄₁₆-14⁵⁄₁₆ per cent; one year 13¹³⁄₁₆-14³⁄₁₆ per cent.
Asian $ (closing rates in Singapore): one-month 16½-16⅝ per cent; three months 16⅝-16¾ per cent; six months 16⅝-16¾ per cent, one year 16½-16⅝ per cent.
Long-term Eurodollar two years 16¼-16½ per cent; three years 16¼-16½ per cent; four years 16¼-16½ per cent; five years 16¼-16½ per cent nominal closing rates.
The following rates were quoted for London dollar certificates of deposit; one month 16.20-16.30 per cent; three months 16.25-16.35 per cent; six months 16.30-16.40 per cent; one year 16.05-16.25 per cent.

MONEY MARKETS

Interest rates slightly firmer

London clearing bank base lending rates 14 per cent (since January 25)

Interest rates were slightly firmer in London yesterday, influenced by the upward trend in U.S. rates, although the shorter end of the market was held down by the fairly good supply of day-to-day credit.

A shortage of around £50m was forecast by the Bank of England in the morning, made up of bills maturing in official hands and a market take-up of Treasury bills −£129m, partly offset by Exchequer transactions +£70m.

The authorities did not operate in the market in the morning, but bought £34m bank bills in band 2 (15-33 days maturity) at 13⅞ per cent during the afternoon.

In New York the Federal Reserve added funds to the banking system by way of overnight repurchase agreements when Federal funds were trading at 16½ per cent. The rate then eased to 16-16½ per cent. Major banks raised prime rates by ½ per cent to 17 per cent.

In Paris the Bank of France offered to buy first category paper for value Monday, at a rate to be disclosed tomorrow. The amount the central bank will buy will be made known at the same time, and will fall within three maturity bands between March 1 and 20. Call money which had declined for the past six trading days was slightly firmer yesterday, rising to 14⅛ per cent from 14 per cent.

In Amsterdam short-term interest rates eased back to around 10½ per cent yesterday after the Dutch central bank offered a special advance of Fl 3.163bn per day for the period ending March 3. The funds, which attract an interest rate of 10 per cent, were allocated in full for the first Fl 500m, and at a level of 50 per cent for the remainder. On Tuesday short-term rates increased to 10½ per cent following disappointment at the size of new quota, which provides liquidity to the money market at a rate of Fl 3.84bn per day, compared with an expiring quota, including supplementary facility, of Fl 5.5bn.

In Milan interest rates were steady at 20½ per cent for call money, 20¾ per cent for one-month and 21⅝ per cent for three-month. The authorities are expected to add liquidity this week following a net outflow of about L1.2 trillion, as the result of the unwinding of reverse repurchase agreements, and the take-up of Treasury bills, partly offset by repayment of overpaid bank reserve requirements.

GOLD

Weaker trend

Gold closed $2¾ an ounce lower than Tuesday in the London bullion market yesterday at $372¼-373¼. Trading was rather quiet with the weaker trend reflecting further increases in U.S. interest rates and continued strength of the dollar.

In Paris the 12½ kilo bar was fixed at FFr 72,900 per kilo ($373.94 per ounce) in the afternoon compared with FFr 72,900 ($374.27) in the morning and FFr 73,000 ($373.19) on Tuesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 28,935 per kilo ($376.98 per ounce) against DM 29,140 ($378.02) previously and closed at $373-374 from $375½-376½.

In Luxembourg the dollar per ounce equivalent of the 12½ kilo bar was $375.50.

In Zurich gold finished at $373-376 from $374-377.

	Feb. 17		Feb. 16	
Gold Bullion (fine ounce)				
Close	$372¼-373¼	(£204¼-202¾)	$375-376	(£204⅝-205½)
Opening	$375½-376½	(£204¼-204¾)	$377-378	(£205¾-206¼)
Morning fixing	$375.50	(£203.998)	$376.25	(£205.321)
Afternoon fixing	$374	(£203.261)	$375.25	(£204.999)
Gold Coins				
Krugerrand	$384¼-385½	(£209¼-210)	$387-388	(£211¼-211¾)
1/2 Krugerrand	$198-199	(£107¾-108¼)	$200-201	(£109¼-109¾)
1/4 Krugerrand	$101-102	(£55-55½)	$101-102	(£55¼-55¾)
1/10 Krugerrand	$41-42	(£22¼-22¾)	$41-42	(£22½-23)
Mapleleaf	$385½-386½	(£210-210½)	$388-389	(£211¾-212¼)
New Sovereigns	$91¼-91¾	(£49¾-50)	$92-92½	(£50¼-50½)
King Sovereigns	$107-108	(£58⅛-58⅝)	$107-108	(£58½-59)
Victoria Sovs.	$107-108	(£58¾-58⅝)	$107-108	(£58½-59)
French 20s	$88-98	(£48-53¼)	$88-98	(£48-53½)
50 pesos Mexico	$463-466	(£252¼-253¼)	$465-467	(£253¾-255)
100 Cor. Austria	$363-366	(£197¾-199¼)	$364-367	(£198¾-200¼)
$20 Eagles	$507-512	(£276¼-278¾)	$507-512	(£276¾-279½)

MONEY RATES

NEW YORK

Prime rate	16½-17
Fed. funds (lunch time)	16¼-16½
Treasury bills (13-week)	14.60
Treasury bills (26-week)	14.34

GERMANY

Special Lombard	10.00
Overnight rate	10.025
Three months	9.625
Three months	10.275
Six months	10.30

FRANCE

Intervention rate	14.25
Overnight rate	14.0625
One month	14.1875
Three months	14.3125
Six months	14.3125

JAPAN

Discount rate	5.50
Call (unconditional)	6.59375
Bill discount (three-month)	6.59375

LONDON MONEY RATES

Feb. 17 1982	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	13-15	14⅜-14⅝	—	—					
2 days notice	—	—	14¼	—	—	14¼-14½	12¾-14	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	14¼-14½	14⅜	—	—	—	—	—	—	—
One month	14½-14⅜	14⅜-14½	14½	15-14¾	14[illegible]	14½-14⅝	13⅞-14	—	—	—
Two months	14⅝-14[illegible]	14½-14⅝	—	15-14⅝	14[illegible]	14¾	14	13[illegible]	13[illegible]	14⅛
Three months	14⅝-14[illegible]	14⅝-14¾	14⅝	15-14⅝	14[illegible]	14⅞	13⅝	13[illegible]	13[illegible]	14¼
Six months	14⅝-14[illegible]	14⅝-14[illegible]	14⅝	14¼	14⅝	15	13⅝	13[illegible]-13[illegible]	13[illegible]-13[illegible]	14⅝
Nine months	14⅝-14[illegible]	14⅝-14[illegible]	—	14⅞-14½	14¾	—	—	—	13[illegible]-13⅝	[illegible]
One year	14⅝-14[illegible]	14⅝-14[illegible]	14⅝	14⅝-14⅜	14¾	—	—	—	—	—
Two years	—	—	14¾	—	14¾	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 14⅞ per cent; four years 15 per cent; five years 15⅛ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 13⅝-13⅝ per cent; four months trade bills 14⅝ per cent.

Approximate selling rate for one month Treasury bills 13½ per cent; two months 13¹¹⁄₁₆ per cent; three months 13⅝ per cent. Approximate selling rate for one month bank bills 13²³⁄₃₂ per cent; two months 13¾ per cent and three months 13¾ per cent; one month trade bills 14⅝ per cent; two months 14½ per cent; three months 14⅝ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 15½ per cent from February 1 1982. Clearing Bank Deposit Rates for sums at seven days' notice 11½-12 per cent. Clearing Bank Rates for lending 14 per cent. Treasury Bills: Average tender rates of discount 13.7914 per cent.

FT UNIT TRUST INFORMATION SERVICE

OFFSHORE & OVERSEAS FUNDS

Adig Investment
Albany Fund Management Limited
Allen Harvey & Ross Inv. Mgt. (C.I.)
Alliance International Dollar Reserves
Arbuthnot Securities (C.I.) Ltd.
B.I.A. Bond Investments AG
Bank of America International S.A.
Barbican Managers (Jersey) Ltd.
Barclays Unicorn International
Bishopsgate Commodity Ser. Ltd.
Bridge Management Ltd.
Britannia Intl. Investment Mngt. Ltd.
Brown Shipley Tst. Co. (Jersey) Ltd.
Butterfield Management Co. Ltd.
CAL Investments (IoM) Ltd.
Capitex S.A.
Capital Asset Managers Ltd.
Capital International Fund S.A.
Central Assets Management Ltd.
Charterhouse Japhet
Clariden Commodities (Isle of Man) Ltd.
Cornhill Ins. (Guernsey) Ltd.
Cortexa International
Craigmount Fixed Int. Mngrs. (Jersey)
DWS Deutsche Ges. F. Wertpapiersp
Delta Group
Deutscher Investment-Trust
Dreyfus Intercontinental Inv. Fd.
Duncan Lawrie Inv. Mgt. Ltd.
Emson & Dudley Tst. Mgt. Jrsy. Ltd.
The English Association
Eurobond Holdings N.V.
S.G. Europe Obligations S.A.
Eurotax Investments Ltd.
F & C Mgmt. Ltd. Inv. Advisers
Fidelity International (C.I.) Ltd.
Fleming Japan Fund S.A.
Frankfurt Trust Investment-GmbH
Free World Fund Ltd.
G. T. Management (U.K.) Ltd.
Gartmore Invest. Ltd. Ldn. Agts.
Gartmore Fund Managers (C.I.) Ltd.
Gartmore Fund Managers (IOM) Ltd.
Assicurazioni GENERALI S.p.A.
Granville Management Limited
Guinness Mahon Fd. Mgrs. (Guernsey)
Hambro Pacific Fund Mgmt. Ltd.
Hambros Fd. Mgrs. (C.I.) Ltd.
Henderson Admin. (Guernsey) Ltd.
Henderson Baring Group
Hill-Samuel & Co. (Guernsey) Ltd.
Hill Samuel Investment Mgmt. Intl.
I.C. Trust Managers Ltd.
IGF Management Services Inc.
International Bond Trust
International Pacific Inv. Mgmt. Ltd.
Investment Advisors, Inc.
Invicta Investment Management
Jardine Fleming & Co. Ltd.
Leopold Joseph & Sons (Guernsey)
King & Shaxson Mgrs.
Kleinwort Benson Group
Korea International Trust
The Korea Trust
Lazard Brothers & Co. (Jersey) Ltd.
Lloyds Bk. (C.I.) U/T Mgrs.
Lloyds Bank International, Geneva
Lloyds Bank International, Guernsey
M & G Group
Management International Ltd.
Midland Bank Tst. Corp. (Jersey) Ltd.
Samuel Montagu Ldn. Agents
Minerals, Oils Res. Shrs. Fd. Inc.
Murray, Johnstone (Inv. Adviser)
Negit S.A.
Nat. Westminster Jersey Fd. Mgrs. Ltd.
N.E.L. International Ltd.
Pacific Basin Fund
Phoenix International
Providence Capitol Life Ass. (C.I.)
Quest Fund Man. (Jersey) Ltd.
Quilter/Hoinold Commodities
RBC Investment Managers Ltd.
Rothschild Asset Management (C.I.)
Save & Prosper International
Schroder Life Group
Schroder Mngt. Services (Jersey) Ltd.
Schroder Unit Trust Mgrs. Int. Ltd.
J. Henry Schroder Wagg & Co. Ltd.
Scrimgeour Kemp-Gee Mngmt., Jersey
Sentry Assurance International Ltd.
Signal Life Assurance Co. Ltd.
Singer & Friedlander Ldn. Agents
Strategic Metal Trust Mngrs. Ltd.
Stronghold Management Limited
Surinvest (Jersey) Ltd.
TSB Trust Funds (C.I.)
Tokyo Pacific Holdings N.V.
Tokyo Pacific Hldgs. (Seaboard) N.V.
Tyndall Group
Union-Investment-Gesellschaft mbH
V.C.A. Financial Management Ltd.
S. G. Warburg & Co. Ltd.
Warburg Invest. Mngt. Jrsy. Ltd.
Wardley Investment Services Ltd.
World Wide Growth Management

NOTES

INTERNATIONAL COMPANIES and FINANCE

Stock index futures clear final hurdle

BY DAVID LASCELLES IN NEW YORK

THE OFFICIAL go-ahead was given this week for the latest—and most controversial—of the novel breed of financial futures: stock index futures. These will give investors a way of hedging or simply speculating on share price movements.

Trading could start as early as next Wednesday on the Kansas City Board of Trade (KCBT), the small commodity futures exchange which has been pressing for these new-fangled instruments since 1977.

The KCBT, like other exchanges which want to do the same thing, claims the instrument will be a boon to anyone who deals in stocks and shares because it will help them minimise losses.

But critics have denounced the plan as a form of gambling since anyone who "bets" correctly could collect large winnings in cash.

"It's going to be so useful, it's hard to see how it can fail to work," said Mr Walter Vernon, the KCBT's chief executive officer yesterday.

Official approval was given by the Commodity Futures Trading Commission, the Washington watchdog of the commodities markets, by a four-to-one vote on Tuesday. But the plan met resistance from the Federal Reserve Board which has a regulatory interest in the stock markets and has the power to set "margins"—the minimum amount of money investors must put up when buying securities. The Fed wanted the CFTC to delay trading for another six months, though its right to set margins for stock futures trading has been questioned.

The Securities and Exchange Commission (SEC) is also taking a close interest because of its responsibility for maintaining orderly securities markets, though stock futures do not fall directly within its purview. Some tax questions also have to be resolved.

Finally, several Congressmen have stirred disapproval and threatened to introduce legislation to prevent the novel plan going ahead.

Supporters of the stock index plan have tried to dismiss much of this regulatory concern, not only because they think their plans serve a genuine need, but because regulators seem more intent on protecting their regulatory turf than the public interest.

Like the well-established interest rate futures, stock index futures trading will be based on contracts to buy a set amount of securities for an agreed price at an agreed date, usually several months away. The contract's price will fluctuate in line with the value of the securities it promises to deliver.

The contract will actually be based on the movement of the Value Line Index, a stock price index based on 1,700 stocks which is compiled by a New York research firm. The contract's value will be the level of the index multiplied by $500. On Tuesday, it closed at 128.09, meaning that the contract would have had a value of $64,045 if traded that day.

However speculators will need only put up a fraction of this price, probably 10 per cent, as a deposit, so giving traders high leverage to make big gains—or losses.

Anyone who thinks the stock market will go up buys a contract, and anyone who thinks it will go down sells one, or "shorts" it. But stock index futures differ in one big respect from other financial futures: instead of promising delivery in a security such as bonds or Treasury Bills, they promise delivery in cash. This is for practical reasons. It would be impossible for traders to assemble one of every share in the Value Line Index.

But this is also the centre of controversy. Cash delivery puts stock index futures uncomfortably close to the legal definition of gambling, which is the laying of a wager in the expectation of a cash reward.

But cash delivery has an added advantage: it prevents market "squeezes." Financial futures contracts based on delivery of actual securities run the risk of being squeezed if those securities are in short supply when the contract matures, though futures traders seldom take delivery because they cancel out their exposure by taking a position on the opposite side of the market.

As a vehicle for transferring risk, Mr Vernon says the potential for stock index trading is huge. While a maximum 100,000 people actively trade commodities and other futures, some 30m own stocks, and they will learn that they can offset losses in the stock market with profits in the stock index futures market.

Traders would fall into three broad categories:

● Shareholders who want to hedge their position in the stock market. Initially, this is most likely to be individuals. Institutional investors, for various regulatory reasons, might take longer to enter the market.

● Underwriters of new stock issues who want to limit their risk;

● and speculators who have no interest in the stock market and trade futures for their own account. These "scalpers" give the market liquidity.

Mr Vernon says that most major brokerage and commodity trading houses are prepared to participate. Expressions of interest have also been received from overseas.

Several other future exchanges want to trade stock futures, though based on different indices—some broad like Kansas City's, others narrow, enabling investors to hedge or speculate in particular groups of stocks such as banks, chemical companies or airlines.

Poor final quarter but Kodak up for year

By Our New York Staff

EASTMAN KODAK, the giant of the world photographic business, yesterday announced modestly higher sales and profits for 1981. Net earnings were $1.2bn or $7.66 a share, up 7.5 per cent on 1980's $1.15bn or $7.15 a share. Sales were $10.3bn, up from $9.7bn.

These results included a disappointing fourth quarter in which net earnings fell from $404.8m or $2.51 a share, to $371m or $2.28 a share, on sales virtually unchanged at $3.1bn.

Mr Walter Fallon, chairman, noted that progress over the year as a whole was made at a time of sluggish economies, especially in the fourth quarter. But he also said the year had laid the foundation for growth in the new decade. Kodak made its first major acquisition in over ten years—a company that makes photo-typesetting and editing equipment—and prepared for the recent launch of its new line of disc cameras.

Mr Fallon hoped that declining interest rates and inflation, along with income tax cuts, would set off a consumer-driven economic recovery later this year. "If so, the latter part of 1982 and the years beyond should be a vibrant time for the photographic industry," he declared.

CBS venture

CBS and Twentieth Century-Fox Film have agreed to form a joint venture to undertake operations in cable television services, and to create, market and distribute products for the emerging home video business, reports AP-DJ from New York.

Aetna Life profits down despite late recovery

BY OUR FINANCIAL STAFF

OPERATING EARNINGS at Aetna Life and Casualty staged a further recovery in the final quarter, but the full result for fiscal 1981 shows the expected setback. The board of Aetna, the largest investor-owned insurance group in the U.S., has predicted an improvement in the current year.

Operating earnings for 1981 fell from $508.3m or $6.30 a share to $491.1m or $6.11. Moreover, the operating totals exclude a capital loss of 36 cents per share for 1981 compared with a similar gain of 16 cents in the previous 12 months.

Sales, at $13.53m, were 1.6 per cent up.

The final quarter brought a 9.4 per cent gain to $146.5m or $1.82 in operating earnings, an improvement on the first six months when operating profits showed a fall of 8 per cent. But the final quarter totals exclude capital losses of 45 cents a share in 1981 against similar gains of 16 cents in the comparable period.

Mr J. H. Filer, chairman, said in October that there was no sign then of a recovery from the cyclical downturn in property casualty underwriting, which had taken 50 per cent off Aetna's commercial insurance profits in the first half of the year.

But he expected further improvement in the group insurance, personal property and reinsurance business, which had boosted the third quarter.

In 1980, Aetna took 30 per cent of earnings from commercial property insurance business, 27 per cent from group life and 11 per cent from individual life operations.

For the current year, Wall Street investment analysts have talked of a "significant recovery" in net per share earnings from the 1981 levels.

Write-off hits TRW earnings

By Our New York Staff

TRW, the U.S. industrial group, yesterday reported a sharp drop in fourth quarter profits after a $34.5m write-down taken as a result of the company's decision to abandon the digital telephone switch business.

TRW's net earnings were $26.9m in the quarter, down from $49.8m in the corresponding period of 1980. These figures were distorted, however, by TRW's decision to switch to the new standard for accounting for foreign exchange effects, which increased 1981 fourth quarter figures by $9.6m and cut the year earlier figure by $7.4m.

Group sales in the quarter were slightly down at $1.27bn against $1.3bn.

For the year, TRW's net profit was $229m on sales of $5.28bn, up from $204.5m on sales of $4.98bn in 1980.

Province shows interest in Eurocanadian stake

BY OUR BANKING CORRESPONDENT

ONE OF Canada's 12 Provincial Governments is understood to be interested in acquiring a stake in Eurocanadian, the Canadian-controlled offshore shipping group which wants to sell half of its North Atlantic container shipping operations to help finance $360m of new ships currently under construction in South Korea and Yugoslavia.

Eurocanadian is in the midst of an expansion programme which will double its North Atlantic container operations by mid-1983. However, the shipping recession has reduced its cash flow and Mr Frank Narby, the group's founder, announced earlier this week that his group intended to make a major asset disposal to help finance the nine new ships under construction. Naess Shipping in New York and Hoare Govett, the London stockbrokers, are acting as intermediaries.

Canadian National Railways (CNR), which owns 18 per cent of Eurocanadian, held a board meeting on Tuesday to discuss its position in respect of Eurocanadian. It is understood that it is not interested in buying half of the North Atlantic container operations but is believed to be sympathetic to Eurocanadian's short-term financial difficulties.

Mr Bob Bandeen, who recently resigned as chief executive of CNR, is expected to step down from the Eurocanadian board and be replaced by Mr Maurice Le Clair, CNR's finance chief.

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Montagu Australian merchant bank bid

By William Hall, Banking Correspondent

SAMUEL MONTAGU AND CO, the London accepting house, and T. and G. Mutual Life, one of Australia's biggest insurance companies, are buying out the minority partners in Capel Court Corporation, one of Australia's leading merchant banks.

In addition, the two companies are contributing an extra A$15m (US$16.2m) of capital which will boost the group's funds to A$32m and will give it "significant capacity to expand."

T. and G. and Samuel Montagu are making an offer to acquire the shares they do not own in Capel Court for A$1.60 per share, valuing the company at A$22.3m. As a result T. and G. will own 60 per cent of the merchant bank and Samuel Montagu the balance.

Samuel Montagu was one of the founders of Capel Court in 1969 when it established the bank along with T and G, J. B. Were, the Australian stock brokers, and Australian Paper Manufacturers. A 21 per cent stake in the company was later sold to the public.

Capel Court said yesterday that it appreciated the advantages that would accrue to the company from the reconstruction and the expansion of the capital base. Price Waterhouse is advising the independent members of the Capel Court board.

Capel Court ranks amongst the top half dozen merchant banks in Australia. In the year to June, 1981, it had pre-tax profits of A$3.47m

In the six months to end-December it made a A$0.5m loss as a result of write-down in security values.

NORTH AMERICAN QUARTERLIES

C. R. BARD	1981 $	1980 $
Fourth quarter		
Revenue	84.1m	71.2m
Net profits	5.89m	3.32m
Net per share	0.60	0.34
Year		
Revenue	329.9m	246.5m
Net profits	22.5m	15.06m
Net per share	2.30	1.55

BURNBY CORPORATION	1981 $	1980 $
Fourth quarter		
Revenue	68.1m	62.3m
Net profits	5.85m	4.98m
Net per share	0.48	0.40
Year		
Revenue	256.8m	253.7m
Net profits	32.84m	23.34m
Net per share	2.64	1.86

CBI INDUSTRIES	1981 $	1980 $
Fourth quarter		
Net profits	32.5m	26.32m
Net per share	1.83	1.41
Year		
Net profits	84.16m	68.46m
Net per share	4.73	3.81

CAMPBELL SOUP	1981 $	1980 $
Fourth quarter		
Revenue	816.1m	779.2m
Net profits	46.84m	40.74m
Net per share	1.45	1.26
Year		
Revenue	1.56bn	1.48bn
Net profits	83.22m	74.36m
Net per share	2.58	2.29

CAMPBELL TAGGART	1981 $	1980 $
Fourth quarter		
Revenue	301.76m	269.71m
Net profits	10.13m	9.1m
Net per share	0.62	0.55
Year		
Revenue	1.26bn	1.11bn
Net profits	41.68m	36.25m
Net per share	2.50	2.16

CHUBB CORP	1981 $	1980 $
Fourth quarter		
Net profits	23.8m	21m
Net per share	1.94	1.70
Year		
Net profits	104m	84m
Net per share	8.45	6.79

CINCINATTI MILACRON	1981 $	1980 $
Fourth quarter		
Revenue	235m	206m
Net profits	16.23m	12.86m
Net per share	0.72	0.57
Year		
Revenue	934.3m	816.4m
Net profits	60.79m	52.44m
Net per share	2.68	2.32

COMBUSTION ENGINEERING	1981 $	1980 $
Fourth quarter		
Revenue	1.05bn	991.8m
Net profits	54.32m	42.43m
Net per share	1.64	1.30
Year		
Revenue	3.81bn	3.15bn
Net profits	147.3m	116.67m
Net per share	4.45	3.58

COMMUNICATIONS SATELLITE	1981 $	1980 $
Fourth quarter		
Revenue	89.5m	83m
Net profits	7.4m	9.72m
Net per share	0.92	1.22
Year		
Revenue	334m	299.7m
Net profits*	28.3m	38.3m
Net per share*	3.53	4.79

* Operating.

ADOLPH COORS	1981 $	1980 $
Fourth quarter		
Revenue	197.4m	180.2m
Net profits	9.88m	2.43m
Net per share	0.28	0.07
Year		
Revenue	929.9m	887.9m
Net profits	51.97m	64.98m
Net per share	1.48	1.86

CORROON AND BLACK	1981 $	1980 $
Fourth quarter		
Net profits	4.04m	2.71m
Net per share	0.56	0.35
Year		
Net profits	14.4m	17.88m
Net per share	1.83	2.30

DOMINION STORES	1981 C$	1980 C$
Nine months		
Revenue	1.96bn	2.06bn
Net profits*	14.02m	17.32m
Net per share*	1.58	2.02

* Operating.

DRESSER INDUSTRIES	1981-82 $	1980-81 $
First quarter		
Revenue	1.14bn	1bn
Net profits	76.9m	61.7m
Net per share	0.98	0.79

HOLIDAY INNS	1981 $	1980 $
Fourth quarter		
Revenue	423.8m	406.1m
Net profits	13m	11.65m
Net per share	0.39	0.34
Year		
Revenue	1.77bn	1.53bn
Net profits	137.36m	108.28m
Net per share	3.66	2.82

NORTHWESTERN NATIONAL LIFE	1981 $	1980 $
Fourth quarter		
Net profits	5.93m	3.96m
Net per share	1.68	1.13
Year		
Net profits	18.0m	15.8m
Net per share	4.83	4.49

PACIFIC LUMBER	1981 $	1980 $
Fourth quarter		
Revenue	65.2m	71.1m
Net profits	8.85m	10.23m
Net per share	0.35	0.42
Year		
Revenue	303.2m	289.5m
Net profits	50.78m	42.06m
Net per share	2.08	1.74

H. H. ROBERTSON	1981 $	1980 $
Fourth quarter		
Revenue	187.5m	173.8m
Net profits	6.02m	9.19m
Net per share	1.24	2.12
Year		
Revenue	644.4m	571.2m
Net profits	27.82m	19.6m
Net per share	5.94	4.56

RURER GROUP	1981 $	1980 $
Fourth quarter		
Revenue	112.2m	96.9m
Net profits	12.4m	11.5m
Net per share	0.63	0.59
Year		
Revenue	362.2m	321.8m
Net profits	35.6m	33.4m
Net per share	1.81	1.71

RYAN HOMES	1981 $	1980 $
Fourth quarter		
Revenue	82.9m	126.0m
Net profits	†414,000	4.76m
Net per share	†0.06	0.71
Year		
Revenue	371.3m	425.8m
Net profits	4.85m	15.51m
Net per share	0.72	2.32

† Loss

TESORO PETROLEUM	1981-82 $	1980-81 $
First quarter		
Revenue	660.8m	865.7m
Net profits	22.4m	23.0m
Net per share	1.35	1.44

TEXAS GAS TRANSMISSION	1981 $	1980 $
Fourth quarter		
Revenue	764.9m	629.1m
Net profits	26.5m	35.0m
Net per share	1.28	1.67
Year		
Revenue	2.84bn	2.23bn
Net profits	130.9m	108.7m
Net per share	6.31	5.17

TRAVELERS CORPN.	1981 $	1980 $
Fourth quarter		
Revenue	2.36bn	2.19bn
Net profits	99.6m	97.3m
Net per share	2.34	2.30
Year		
Revenue	9.79bn	8.78bn
Net profits	360.1m	365.6m
Net per share	8.45	8.63

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Tuesday March 16. Closing prices on February 17

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Anheuser-Busch 16½ 88	100	101⅞	102⅜	+0⅛	−0⅛	15.90
APS Fin. Co. 17¼ 86 ...	60	103⅜	103⅞	+0⅛	0	16.00
Armco O/S Fin. 15⅛ 86	50	98⅝	99⅛	+0⅛	−0⅛	15.67
Bank Montreal 16⅛ 91	150	99½	100	0	−0⅛	16.26
Br. Colum. Hyd. 16⅞ 88	100	100½	101	0	−0½	16.00
Br. Colum. Mfa. 17 97	54	102½	103	+0⅛	+0⅛	16.45
Can. Nat. Rail 14½ 91	100	92⅝	93⅛	0	−0⅛	16.08
Caterpillar Fin. 16½ 86	100	101⅞	102⅛	+0⅛	−0⅛	15.79
CFMP 16⅞ 96	100	101⅛	101⅝	+0⅛	−0⅛	16.43
CIBC 16⅞ 91	100	100⅞	101⅛	+0⅛	−0⅛	16.45
Citicorp O/S 16⅞ 86...	150	102½	103	+0⅛	+0⅛	15.79
Cities Service 17 88 ...	150	102⅛	102⅝	+0⅛	0	16.27
Cons.-Bathurst 17½ 88	60	102	102½	+0⅛	−0⅛	16.85
CPC Fin. 16⅞ 86	50	102⅜	102⅞	+0⅛	+0⅛	15.81
Dupont O/S 14½ 88 ...	400	96⅜	96⅞	+0⅛	+0⅛	15.29
EIB 16½ 88	100	100	100½	+0⅛	−0⅛	16.36
EIB 16⅞ 91	100	100½	101	0	−0⅛	16.53
GMAC O/S Fin. 16½ 84	300	100⅜	100⅞	+0⅛	+0⅛	16.07
Gulf States O/S 17½ 88	60	103⅛	103⅝	+0⅛	−0⅛	16.54
Japan Airlines 15⅛ 88	50	99⅜	99⅞	+0⅛	+0⅛	15.30
Nat. Bk. Canada 16½ 88	40	99¼	99¾	−0⅛	−1	17.30
Nat. West 14⅞ 91	100	95	95½	+0⅛	−0⅛	15.70
New Brunswick 17 88	60	103⅞	104⅛	+0⅛	−0⅛	15.87
Newfoundland 17⅛ 89...	60	106	106½	+0⅛	+0⅛	15.72
New & Lab. Hy. 17⅛ 89	75	103	103½	+0⅛	−0⅛	16.42
Ohio Edison Fin. 17⅛ 88	75	103⅛	103⅝	−0⅛	−0⅛	16.52
OKG 15⅜ 97	50	97	97½	+0⅛	+0⅛	16.21
Ontario Hyd. 16 91 (N)	200	99⅝	100⅛	+0⅛	0	15.95
Pac. Gas & El. 15⅛ 89	80	99	99½	+0½	+0⅛	15.91
Quebec Hydro 17⅛ 91	150	103⅞	104⅛	+0⅛	+0⅛	16.36
Quebec Prov. 15⅞ 89...	150	94⅜	94⅞	+0⅛	−0⅛	16.48
Saskatchewan 16⅛ 88	100	100⅛	100⅝	+0⅛	−0½	16.07
Statsforetag 15⅜ 87...	50	97⅜	97⅞	+0⅛	−0⅛	16.46
Sweden 14½ 88	150	92⅞	93⅜	+0⅛	0	16.20
Swed. Ex. Cred. 16½ 93	75	100	100½	+0⅛	−0⅛	16.41
Tenneco Int. 17 89 ...	100	103⅝	104⅛	+0⅛	−0⅛	16.01
Texas Eastern 15⅞ 88	75	98⅜	98⅞	+0⅛	−0⅛	16.18
Transcanada 17⅞ 89 ...	75	105⅜	105⅞	+0⅛	−0⅛	16.21
Transcanada 16 89 ...	100	97½	98	+0⅛	−0⅛	16.49
Walt Disney 15⅞ 86 ...	100	101⅝	102⅛	+0⅛	+0⅛	15.06
Winnipeg 17 86	50	103½	104	+0⅛	0	15.72
WMC Fin. 15½ 88	50	95⅞	96⅜	+0⅛	−0⅛	16.44
World Bank 16 88	80	99⅝	100⅛	+0⅛	−0⅛	15.95
World Bank 16½ 86 ...	130	102	102½	+0⅛	−0⅛	15.89
World Bank 16½ 88 ...	100	101½	102	+0⅛	+0⅛	15.96

Average price changes... On day +0⅛ on week −0⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 9⅜ 91	300	98⅝	99	−0⅛	−0⅛	9.59
Belgelectric 11 91	100	100⅞	101⅞	0	−0½	10.85
CECA 10 91	120	99⅝	100⅛	−0⅛	−0⅛	10.00
Coun. of Europe 10 91	100	99½	100⅛	+0½	−0⅛	10.01
Coun. of Europe 10⅛ 91	100	100⅛	100⅝	0	−0⅛	10.15
EEC 10⅛ 93	100	100⅛	100⅝	0	−0⅛	10.06
EIB 10½ 91	200	102⅜	102⅞	0	0	10.06
EIB 9⅞ 88	60	99½	99⅞	+0⅛	0	9.86
Finland, Rep. of 10½ 86	100	100⅞	101⅜	−0⅛	0	10.19
Inter-American 10 91...	100	99⅞	100⅜	0	+0⅛	9.95
Inter-American 10⅛ 91	100	100⅝	101⅛	+0⅛	+0⅛	10.07
Ireland 10⅞ 86	100	99½	100	+0½	−0⅛	10.77
Mexico 11 88	100	101	101½	+0⅛	+0⅛	10.72
Midland Int. Fin. 8½ 90	180	93⅝	94⅛	0	−0⅛	9.58
Nt. Bk. Dnmk. 10½ 91	100	99⅝	100⅛	0	−0⅛	10.48
Nat. West. 9⅞ 92	100	99⅞	100⅜	+0⅛	0	9.87
New Zealand 9⅝ 89 ...	200	99⅞	100⅜	−0⅛	−0⅛	9.69
OKB 10⅛ 91	150	100⅛	100⅝	0	−0½	10.05
Ost. Kontrollbk. 9⅝ 88	150	98⅞	99⅜	+0⅛	−0⅛	9.92
Quebec Hydro 10⅛ 91...	150	101⅝	102⅛	+0⅛	−0⅛	9.93
Swed. Ex. Cred. 10⅛ 91	100	99⅛	99⅝	−0⅛	−0⅛	10.34
Venezuela 11½ 91	100	99⅝	100⅛	+0⅛	−0⅛	11.50
World Bank 10 91	250	100⅝	101⅛	+0⅛	+0⅛	9.82

Average price changes... On day 0 on week −0⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Ansett Transport 7½ 92	50	99¾	100	−0¼	−1	7.52
Asian Dev. Bank 8 90	80	99⅞	100⅛	−0⅛	−1	7.99
Australia 6¾ 93	100	100½	100¾	+0¼	−0½	6.67
Belgelectric 7½ 91	80	99⅜	99⅝	−0⅛	−0⅛	7.57
Bell Canada 7¼ 93 ...	100	102¼	102½	+0¼	−1⅛	6.95
Est. de Autopistas 8 90	50	98½	98¾	+0½	0	8.22
Denmark 7⅞ 91	100	96⅜	96⅞	+0⅛	+0⅛	7.73
Dome Petroleum 7⅛ 90	100	100⅝	100⅞	0	−1⅛	7.12
EIB 7⅛ 92	100	97⅞	98⅛	+0½	+0⅛	7.62
Gaz de France 7 92 ...	100	98⅛	98½	+0⅛	−0⅛	7.23
IEL 8 92	44	98	98⅛	0	0	8.28
Instar 7 91	100	100⅛	100⅝	+0⅛	−1⅛	6.88
IS Elsam 8½ 91	60	102⅝	103⅛	+0⅛	−0⅛	8.03
Japan Air Lines 7⅛ 91	100	102¼	102½	0	−0½	6.80
Neder. Gasunie 8 91...	100	104	104¼	0	−2	7.38
Nippon T. and T. 6⅝ 92	100	98¾	99	+0⅛	−0⅛	6.78
OKB 7⅛ 91	100	98⅝	99	+0⅛	−1⅛	7.41
Oslo, City of 8 91	100	103⅝	104	−0⅛	−1⅛	7.42
Ost. Donaukraft 7 92 ...	100	98¼	98½	−0⅛	−0⅛	7.23
Saint Etienne 8½ 91 ...	20	104¼	104½	0	−0⅛	7.88
Swed. Ex. Credit 7⅛ 91	75	95⅝	96	−0½	−1	7.89
TT O/S Fin. 8 91 ...	50	103	103½	+0⅛	−0⅛	7.51
Transcanada Pipe. 7 94	100	101	101⅛	+0⅛	0	6.86
Unilever NV 7⅞ 93 ...	100	103⅛	103½	+0⅛	−1⅛	7.06
World Bank 7 90	100	95¼	95½	+0⅛	−3⅞	7.78
World Bank 8 91	100	103	103⅛	0	−0⅛	7.53

Average price changes... On day +0⅛ on week −0⅞

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bk. 8⅛ 91	15	[illegible]	[illegible]	[illegible]	[illegible]	8.40
Australia 8⅛ 88	15	[illegible]	[illegible]	[illegible]	[illegible]	8.20
EIB 7⅞ 89	12	[illegible]	[illegible]	[illegible]	[illegible]	8.22
Finland, Rep. of 8⅛ 87	10	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Inter-Amer. Dev. 8⅛ 91	15	[illegible]	[illegible]	[illegible]	[illegible]	8.61
New Zealand 8⅛ 87	15	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Average price changes... On day +0⅛ on week +0⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bk. Utilities 17 86 C$	50	[illegible]	[illegible]	[illegible]	[illegible]	17.54
[illegible] 17¼ 86 C$	40	[illegible]	[illegible]	[illegible]	[illegible]	17.16
IAC (Can.) 16 87 C$	65	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Canadian 16½ 86 C$	55	[illegible]	[illegible]	[illegible]	[illegible]	17.30
[illegible] Urban 16½ 86 C$	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible] 17½ 86 C$	20	[illegible]	[illegible]	[illegible]	[illegible]	17.03
[illegible] Cpn. 13½ 85 C$	30	[illegible]	[illegible]	[illegible]	[illegible]	16.58

	Issued	Bid	Offer	Change on day	Change on week	Yield
M. Bk. Denk. 9 91 EUA	25	[illegible]	[illegible]	[illegible]	[illegible]	11.34
SOFTE 8⅛ 89 EUA	40	[illegible]	[illegible]	[illegible]	[illegible]	13.07
U. Bk. Nwy. 9⅛ 90 EUA	18	[illegible]	[illegible]	[illegible]	[illegible]	11.02
Algemene Bk. 10½ 86 Fl	60	[illegible]	[illegible]	[illegible]	[illegible]	10.92
Amfas Group 10½ 86 Fl	40	[illegible]	[illegible]	[illegible]	[illegible]	11.38
Amro Bank 12 86 Fl	75	[illegible]	[illegible]	[illegible]	[illegible]	11.35
Amro Bank 12 86 Fl	100	[illegible]	[illegible]	[illegible]	[illegible]	11.39
Heineken NV 10 87 Fl	100	[illegible]	[illegible]	[illegible]	[illegible]	10.92
Pierson 10½ 86 Fl	50	[illegible]	[illegible]	[illegible]	[illegible]	11.00
Rabobank 12 86 Fl	100	[illegible]	[illegible]	[illegible]	[illegible]	11.35
Air France 14½ 86 FFr	200	[illegible]	[illegible]	[illegible]	[illegible]	15.88
Bk. America 14½ 86 FFr	250	[illegible]	[illegible]	[illegible]	[illegible]	16.30
Charb'nages 13½ 86 FFr	400	[illegible]	[illegible]	[illegible]	[illegible]	15.42
EIB 14½ 88 FFr	300	[illegible]	[illegible]	[illegible]	[illegible]	16.46
La Redoute 14½ 86 FFr	125	[illegible]	[illegible]	[illegible]	[illegible]	17.14
OKB 14 86 FFr	400	[illegible]	[illegible]	[illegible]	[illegible]	15.96
Solvay et C. 14½ 86 FFr	200	[illegible]	[illegible]	[illegible]	[illegible]	16.46
Swed. E. Cr. 14½ 86 FFr	250	[illegible]	[illegible]	[illegible]	[illegible]	16.29
U. Mex. Sta. 14 85 FFr	150	[illegible]	[illegible]	[illegible]	[illegible]	16.90
Acona 14 85 £	20	[illegible]	[illegible]	[illegible]	[illegible]	17.01
Beneficial 14½ 90 £	20	[illegible]	[illegible]	[illegible]	[illegible]	17.59
BNP 13½ 91 £	15	[illegible]	[illegible]	[illegible]	[illegible]	16.48
CECA 13½ 86 £	20	[illegible]	[illegible]	[illegible]	[illegible]	16.09
Citicorp O/S 13 90 £	50	[illegible]	[illegible]	[illegible]	[illegible]	15.63
Fin. Ex. Cred. 13½ 86 £	15	[illegible]	[illegible]	[illegible]	[illegible]	16.96
Gen. Elec. Co. 12½ 89 £	50	[illegible]	[illegible]	[illegible]	[illegible]	15.85
Hiram Walker 14½ 86 £	25	[illegible]	[illegible]	[illegible]	[illegible]	16.20
Privatbanken 14½ 88 £	12	[illegible]	[illegible]	[illegible]	[illegible]	17.21
J. Rothschild 14½ 90 £	12	[illegible]	[illegible]	[illegible]	[illegible]	15.68
Royal Trustco 14 86 £	12	[illegible]	[illegible]	[illegible]	[illegible]	16.07
Swed. Ex. Cr. 13½ 86 £	20	[illegible]	[illegible]	[illegible]	[illegible]	15.43
Akzo 9½ 87 LuxFr	500	[illegible]	[illegible]	[illegible]	[illegible]	12.21
Euratom 9½ 88 LuxFr	500	[illegible]	[illegible]	[illegible]	[illegible]	12.82
Eurofima 10½ 87 LuxFr	500	[illegible]	[illegible]	[illegible]	[illegible]	12.28
EIB 9½ 88 LuxFr	600	[illegible]	[illegible]	[illegible]	[illegible]	12.24
Volvo 9½ 87 LuxFr	500	[illegible]	[illegible]	[illegible]	[illegible]	12.75

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Bank of Montreal 5½ 90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	14.34
Bank of Montreal 5½ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	17.17
Bank of Tokyo 5½ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	13.27
Bk. Nova Scotia 5½ 93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	17.13
BBL Int. 5 85	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	13.57
BFCE 5½ 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	16.98
BFCE 5½ 87	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	16.31
Christiania Bk. 5½ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	16.14
Co-Ben Eurofin 5½ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	16.90
Den Norske Cred. 5½ 93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	13.91
Genfinance 5½ 92	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	15.58
Giro und Bank 5½ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	14.15
GZB 5½ 92	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	13.24
Ind. Bank Japan 5½ 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	13.52
Lloyds Eurofin 5½ 93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	17.22
LTCB Japan 5½ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	15.43
Midland Int. Fin. 5 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	17.11
Nacional Fin. 5½ 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	17.83
Nat. Bk. Canada 5½ 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	17.33
Nat. West. Fin. 5½ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	15.32
Nat. West. Fin. 5½ 92	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	17.06
Nordic Int. Fin. 5½ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	15.86
Offshore Mining 5½ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	13.21
Pemex 5 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	17.50
PKbanken 5 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	14.56
Sanwa Int. Fin. 5½ 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	17.31
Scotland Int. 5½ 92	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	14.15
Sec. Pacific 5½ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	13.45
Societe Generale 5½ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	15.40
Standard Chart. 5½ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	13.57
Sumitomo Fin. 5½ 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	16.08

Average price changes... On day 0 on week [illegible]

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 5½ 96	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	5.69
Bow Valley Inv. 8 95	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	52.59
Canon 6½ 95	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	2.46
Daiwa Secs. 5½ 96	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	−1.32
Fujitsu Fanuc 4½ 96	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	8.30
Furukawa Elec. 5½ 96	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	−6.21
Hanson O/S Fin. 9½ 96	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	91.98
Hitachi Cable 5½ 96	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	−1.84
Hitachi Cred. Cpn. 5 96	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0.19
Inchcape 9 95	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	13.99
Kawasaki 5½ 96	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	−0.28
Marui 6 96	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	13.71
Matsushita E. 7½ 95	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1.74
Minolta Camera 5 96	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	10.20
Minorco 9½ 97	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	5.38
Murata 5½ 96	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	10.32
NKK 6½ 96	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	−10.05
Nippon Chemi-C. 5 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	7.35
Nippon Electric 5½ 97	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	2.22
Orient Finance 5½ 97	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	2.24
Sanyo Electric 5 96	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	4.73
Sumitomo Met. 5½ 96	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	2.04
Swiss Bk. Cpn. 6½ 90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	21.36
Taylor Woodrow 8½ 90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	−3.98
Konishiroku 6 90 DM	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	−1.12
Mitsubishi H. 6 89 DM	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	7.45

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

1981 was a traumatic year for the banking industry. **David Lascelles reports**

Final quarter gloss for U.S. banks

THE SHARP drop in U.S. interest rates during the final quarter of last year — brief though it turned out to be—was a blessing for the U.S. banking industry. It gave earnings a major boost and enabled most of the country's big banks to offset the leaner times suffered earlier in the year.

With one or two striking exceptions, banks all ended 1981 on an upbeat note, and reported sizeable earnings gains for the year as a whole even though loan portfolios were battered by well-publicised problem cases like Poland, Costa Rica, International Harvester, Itel and Chrysler.

The broad story that emerged for 1981 was that banks found loan demand surprisingly strong despite the spluttering U.S. economy. Much of the demand came from business, though the reasons were not always healthy. Because of the high level of interest rates in the capital markets, the vast majority of companies continued to finance themselves with short-term bank debt instead, waiting for the day when interest rates came down. As the recession deepened, there was also a surge in "distress" borrowing by companies needing to finance unsold inventory.

But while banks were able to increase the volume of lending, the volatility of interest rates, and therefore the cost at which they funded these loans, made it a risky business.

In the first nine months of 1981, Morgan Guaranty, the big New York bank which specialises in high quality corporate loans, had disappointing results from lending because the higher volume was offset by a decline in net yield. In fact, Morgan would probably have shown its first year-on-year earnings decline in decades were it not for the boost that came in the final quarter. The 35 per cent rise in earnings in the last three months put Morgan ahead for the year, but only by 2 per cent.

Most other banks did better than that. Chase Manhattan, which is being specially aggressive under its new chairman, Mr Willard Butcher, boosted earnings by 22 per cent. Chemical Bank was up by a similar percentage. Manufacturers Hanover Trust advanced 11.5 per cent. Even Citicorp, which has been struggling with a poorly structured loan portfolio, was 9 per cent ahead.

Most banks said that fees and commissions had contributed strongly to their results, providing a useful counterweight to the sharp ups and downs of their basic lending business.

But virtually every bank also reported large increases in bad loans as the U.S. recession and the poor financial condition of several foreign borrowers took their toll. Some of the largest were at Manufacturers Hanover where charge-offs were $78m, up from $59m in 1980, and the provision for loan losses was almost doubled to $135m. Like most banks, Manny Hanny declined to identify the borrowers, though they are pretty well known.

	Net income $m	% change
Bank of America	445	−31
Citicorp	531	+ 6
Chase Manhattan	412	+16
Manufacturers Hanover	252	+11
Morgan Guarantee	348	+ 2

Continental Illinois, the largest Chicago bank, reported a sharp increase in non-performing loans in the fourth quarter, to $653m, though actual credit losses were lower at $71m. Continental is believed to be heavily committed to large firms in the mid-west who have suffered severe financial difficulties, like International Harvester, AM International, the office equipment company, and Invsco, a real estate development company.

Marine Midland, the large upstate New York bank owned by Hongkong and Shanghai Banking Corporation, specifically mentioned that loans to Poland and Costa Rica totalling $76m had been downgraded to non-performing status. However, compared with many European banks, U.S. banks are not heavily exposed to Poland. Estimates put the total exposure in the region of $1.2bn, but widely spread among dozens of banks with the maximum exposure at any one bank amounting to only a tiny fraction of total loans.

The big exception to the upward trend in earnings was Bank of America, the giant Californian institution which reported a 31 per cent decline—though ironically in the process it acquired enough new assets to overtake Citicorp and regain its place as the largest bank in the U.S.

B of A's slump came as no surprise. Under its new president, Mr Sam Armacost, it is trying to strip a weak portfolio of low-yielding consumer and mortgage loans while at the same time shelling out large sums of money on modernising and automating its retail branch network, which is the largest in the U.S.

Mr Armacost said it had been a difficult and disappointing year. But he said his bank was "adjusting its operations across the board for greater efficiency, redefining its strategies and introducing new and more innovative product lines."

But the worst may be over. One leading Wall Street bank analyst, Mr George Salem at Bache, has just restored B of A to his "buy" list because he sees Mr Armacost's efforts producing a decent rise in earnings this year.

But Bank of America, like its competitors, will still have to cope with formidable challenges this year.

The outlook is for continued interest rate volatility, and a sluggish economy. The recent rebound in interest rates has pushed bank funding costs up sharply. And though banks increased their prime rates by a stiff ¾ per cent on February 1 to 16½ per cent—the first upward move in seven months—they usually tend to make less money when interest rates are going up than down. This is because prime rate moves lag changes in market rates, so lending margins get squeezed on the way up, but widen on the way down.

Record year at French bank

By Terry Dodsworth in Paris

CREDIT Industriel et Commercial, the French banking group that has been nationalised, is forecasting a 33 per cent increase in net consolidated profits for 1981 to FFr 300m ($50m). These results will be the best the bank has ever recorded, says M Dominique Chatillon, chairman.

VW suspends U.S. production as sales fall

BY KEVIN DONE IN FRANKFURT

VOLKSWAGEN, West Germany's biggest motor group, is being forced to close production again at its U.S. car assembly plant for three weeks because of the abrupt fall in sales in the first two months of the year.

Volkswagen sales in the U.S. in January and the first 10 days of February—including imports from West Germany—dropped by 43.5 per cent, to 14,379 units from 25,432 in the same period of 1981.

Sales of its locally produced Rabbit model—known as the Golf in Europe—plunged in the same period by 56 per cent to 6,959 cars from 15,818 giving the company little choice but to halt production and cut stocks.

VW is handicapped by the inflexibility of its assembly operations at Westmoreland, Pennsylvania, where it produces only the Rabbit model and a car-derived pick-up. It has been forced to offer discounts below list prices for cash sales to try to stimulate sales in the U.S., but so far with little success.

Production at Westmoreland is to be halted for two weeks from February 22 and for a third week from March 22. Assembly was halted for a week in January with the extension of the Christmas and New Year holiday to January 11.

Last year output was stopped for a week in June and also for three weeks in November-December. At the same time production has been brought down in two stages from a peak of 1,040 units to only 856 a day and 650 workers have been made redundant over the past seven months.

Volkswagen's plans for expanding production in the U.S. have been hit hard by the prolonged recession in the U.S. car market. It announced in December that it had postponed indefinitely the start-up of its second assembly plant, which is under construction at Sterling Heights, Detroit, at a cost of nearly $300m.

Despite the setbacks in January and February, Volkswagen still aims to sell 330,000 vehicles in the U.S. this year, compared with 278,497 in 1981, of which around 100,000 would come from West German production.

The group's long-term strategy is to gain a 5 per cent share of the U.S. car market with a volume of around 500,000 vehicles a year, of which about 80 per cent would be manufactured locally.

Monopolies objection to Springer deal

By Stewart Fleming in Frankfurt

THE West German Monopolies Commission has concluded in a report to the Economics Ministry that the proposed merger of two of West Germany's largest publishing houses, Axel Springer Verlag and the Burda group, should not be approved.

The commission's report follows a similar decision by the Cartel Office, which had also examined the proposed deal, on the grounds that a merger would produce a company with a "dominating" position in the newspaper and advertising market.

Herr Axel Springer, who owns the Springer group, publisher of the prestige newspaper, Die Welt, and the popular Bild newspaper, is seeking to sell to Burda a 26 per cent stake. It was initially envisaged that subsequently the Burda stake would be increased to 51 per cent.

Since the death of his son, Axel, Herr Springer has no heir who is suitable to take over the business. He has made it clear that he is anxious to see the business continued in the conservative political tradition he has established.

The Monopolies Commission report does not, however, spell the death of the deal. Herr Springer had applied to Count Otto Lambsdorff, the Economics Minister, for special approval of the merger after the Cartel Office decision. As part of that process the Monopolies Commission has to prepare a report, but the Minister is not bound to follow its recommendations.

Danish bank plans funding

By Hilary Barnes in Copenhagen

COPENHAGEN HANDELSBANK is increasing its dividend from 14 per cent to 15 per cent for 1981, and plans to raise DKr 170m ($31.5m) through a financing programme.

Profits last year were held in check. After currency losses of DKr 104m, operating profits emerged at DKr 610m, compared with DKr 607m. Net earnings were unchanged at DKr 372m.

The funding programme consists of a DKr 85m rights issue and an offering of index-linked bonds which will raise a similar sum.

The bank was forced to make provisions against bad debts of DKr 393m, compared with DKr 396m, but earnings from an increase in portfolio values rose from DKr 246m to DKr 343m. Total assets increased from DKr 43bn to DKr 50bn.

The bank expressed satisfaction that in spite of the heavy losses on bad debts, most of which were realised losses, the bank had been able to earn enough to "consolidate its financial position."

Banco Urquijo raises dividend

BY ROBERT GRAHAM IN MADRID

BANCO URQUIJO reports a 16 per cent increase in pre-tax profits to Pta 2.8bn ($28m) for 1981, and is lifting its dividend to Pta 170 a share, from Pta 156.

Urquijo, which is Spain's leading industrial bank, said that profits had been achieved after a conservative provision for bad debts and portfolio writedowns of Pta 2.4bn, equivalent to 2 per cent of outstanding risk. This is above the 1.5 per cent norm laid down by the Bank of Spain.

Part of this provision covers losses arising from its Singapore operations. Domestic banking operations were the most profitable activity in 1981, aided by high interest rates. However, the bank now has 45 per cent of its balance-sheet in foreign currency, the highest proportion of any Spanish bank.

Profits were also aided by an increased return on the bank's extensive investment portfolio, where dividends almost doubled to Pta 1.4bn. Carried forward into the current year will be 90 per cent of the Pta 400m profit from the sale of the bank's headquarters.

During the year Urquijo accelerated its policy of divesting unwanted stakes in industrial and commercial companies. A total of 16 were sold off but the value of its portfolio after revaluatons remained constant at Pta 22.6bn.

The bank's major disposal centred on a shareholding in the department store group, Galerias Preciados. In return for Pta 13bn worth of property assets, Urquijo sold the stake to the Rumasa industrial and financial group.

Urquijo recently became the first Spanish bank to place part of its capital in London. Around 5 per cent of the bank is now owned by UK institutions.

Spanish accord on short-term debt

BY OUR MADRID CORRESPONDENT

AGREEMENT has been reached between the major Spanish banks and the Government for the issue of short-term Treasury bills to the public. The Government has been committed to short-term funding in this way for almost a year but the major banks have until now resisted the move.

A Bank of Spain official said yesterday that agreement had now been reached and that the Cabinet would probably approve it within the next 10 days, enabling the first auction to be held on February 27. The Treasury is permitted to issue Pta 120bn ($1.2bn) of short-term debt.

The major banks accepted the principle of permitting the public to have access to short-term Government debt, but wanted to delay its introduction. Their principal objection was that it would force them to raise interest rates on deposits and cut their margins.

It is understood that the banks have managed to wring a number of concessions from the authorities, although it is not clear to what extent they have been successful in exploiting their cause.

The new bills will range from three to 18 months in maturity, and yields are expected to be in line with those for bank acceptances. The minimum purchase by members of the public will be Pta 10m.

SALES REACH $1.35bn DESPITE SMUGGLING

UAC of Nigeria boosts results

BY QUENTIN PEEL, AFRICA EDITOR

UAC OF NIGERIA, the largest African-controlled company in black Africa, in which Unilever retains a 40 per cent interest, boosted both turnover and profits last year, in spite of the slump in Nigeria's oil production.

Sales for the year to September 30 were up almost 23 per cent to N870m ($1.35bn), while pre-tax profits rose 30 per cent to N72.6m ($112.5m). However, the company has been forced to declare a lower dividend than in 1980, at 7.5 kobo per share, compared with a previous 8.04 kobo, because of a government limitation on dividend payments of more than 60 per cent of post-tax profits.

UAC, formerly the United Africa Company, has interests in virtually all sectors of the Nigerian economy, ranging from food production to retailing and plant hire, and its results reflect the general pattern of economic growth in the country.

However, the sharp downturn in oil production in mid-1981, and the subsequent cutback in government spending, will only have had a significant effect on business activity in the last quarter of the year.

The substantial increase in both turnover and profits has been accomplished despite a high level of smuggling into the lucrative Nigerian market, Chief Ernest Shonekan, chairman and managing director of UAC, said.

UAC operations such as the Kingsway chain of department stores, and its wholesale and buildings materials divisions have been badly hit by prohibited imports being sold without having to pay duties.

In his formal announcement of the results, Chief Shonekan said that "after a slow start to the year, the level of business activity increased over the period January to June, 1981, though at lower net profit margins due to higher operating costs and stronger competition."


Chief Ernest Shonekan

Capital spending during the year amounted to N23.43m, including new complexes for the company's tractor and equipment division in Lagos, and Port Harcourt, and a new site in Kaduna.

However, negotiations are still continuing with the Nigerian Government for UAC to be reclassified as a Nigerian company—in line with its 60 per cent Nigerian shareholding—to allow it to invest in new companies without having to bring in 60 per cent Nigerian shareholders on each occasion.

UAC has just announced plans to start up electronics manufacturing in Nigeria in partnership with Matsushita, the Japanese electronics company. However, the plans are unlikely to be implemented unless the Nigerian Government relaxes the present restrictions of the Nigerian Enterprises Promotion Act.

"We are still talking," Chief Shonekan said. "My own feeling is that they will relax it considerably. They know that since the original decree, there has been little new investment."

Sentrachem forecasts setback next year

By Jim Jones in Johannesburg

SENTRACHEM, South Africa's second largest chemicals combine, is not optimistic about prospects for the current six months despite a reasonable performance for the half year ended December 31.

First half pre-tax profits rose by 17.4 per cent to R66.5m ($67.5m) from R56.7m in the same period of 1980 and compared with R118.3m for the year ended June 1981. First half turnover was R405.4m, an increase of 20 per cent on the R337.7m of the same period a year ago. For the full year to June turnover was R668m.

In the last chairman's review it was said that the percentage increase in earnings per share this year would be in line with that of 1980-81. Since then however the fertiliser division has performed below expectations.

The company say this is largely due to a decision by the authorities not to allow controlled fertiliser prices to increase sufficiently to cover cost increases. This has already led to the decision to cancel a R630m ($640m) 260,000 tonnes a year ammonia plant project. In addition to problems on the domestic front, Sentrachem's fertiliser position has been hurt by poorer exports and continuing weakness of phosphoric acid.

The rest of the group has performed in line with expectations though growth in the 1982-83 financial year is expected to be affected by the commissioning of a new synthetic rubber plant in Natal.

Sentrachem now says that current year earnings will be much in line with last year's and a decline is expected in the following year. The directors say dividend cover will need to be reduced to maintain dividend growth.

An interim dividend of 19 cents has been declared from first half earnings of 46.2 cents a a share. Last year the interim dividend was 17 cents on first half earnings of 38.3 cents. The year ended June 1981 resulted in a total dividend of 40 cents on earnings of 82.2 cents a share.

Earnings at Toa Nenryo down 37%

By Our Financial Staff

TOA NENRYO Kogyo KK, the Japanese oil refining company affiliated to the Exxon and Mobil Oil companies, suffered a 36.8 per cent fall in net income to Y17.2bn ($71.4m) in 1981 on sales up by 4.2 per cent to Y1,214bn.

Earnings per share were down from Y67.3 to Y38.5 but the dividend is held at Y12.5. For the current year the company forecasts net profits up to Y20bn despite a small drop in sales and the dividend will again be maintained.

Intermex profits near quadrupled

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

PRE-TAX PROFITS of International Mexican Bank (Intermex) almost quadrupled last year to £8.3m ($15.2m) from £2.3m in 1980 due mainly to the erosion of the value of sterling and high dollar interest rates.

The results, which appear to reflect something of a trend for Euro-banks operating out of the City of London, do something to dispel the gloom among international bankers about the profitability of Euromarket lending.

Mr Gerard Legrain, Intermex's managing director, says: "It's easy to show terrific results if you express them in a currency which went down the tube."

He adds that an important contribution to earnings came from high dollar interest rates. A portion of each loan is effectively financed out of capital and the net yield to the bank thus increases sharply as interest rates rise.

Intermex calculates that the average level of the London interbank offered rate last year was 16.46 per cent compared with 14.01 per cent in 1980. The average margin on its medium-term loan portfolio fell only slightly to 85 basis points from 88 and seems likely to rise again this year, Mr Legrain said.

Intermex capital funds last year rose to £23.9m from £18.4m with part of the increase reflecting the exchange market valuation change of its $15m subordinated floating rate note. The loan portfolio rose to £266m from £171.9m.

Profits were further helped by record fee income in 1981, Mr Legrain said.

Tokyo SE to take foreigners

THE MEMBERSHIP committee of the Tokyo Stock Exchange has decided that foreign securities companies should be able to become members, Kyodo reports from Tokyo.

A final decision, by the Board of Governors, the full membership, and the Finance Minister, could be made at the AGM in November or at an earlier special meeting.

Downturn at Bahrain Aluminium

BY MARY FRINGS IN BAHRAIN

NET EARNINGS at Bahrain Aluminium (Balco) for 1981 were cut by 87 per cent as metal prices slumped and the company is forecasting a loss for 1982.

Profits came to U.S.$6.2m, compared with $48.5m in 1980, but were calculated after providing for a potential loss on inventory valuation of $9.5m (no provision in 1980), and $10.2m of overdraft interest. In 1980 Balco was a net depositor of funds and earned $1.8m of interest. Before the stock provision and interest charges, the 1981 result was 47 per cent lower.

Balco is 74 per cent owned by the state of Bahrain and 26 per cent by the Kingdom of Saudi Arabia. It markets the two governments' 78 per cent share in the output of the Alba Smelter, which during 1981 increased its annual capacity from 125,000 to 170,000 metric tonnes.

In 1981 Balco sold 20 per cent more metal but by the year end spot prices had fallen to less than half the level of 18 months before. The stockpile stood at 79,000 tonnes, of which 62,000 tonnes was uncommited metal, representing 24 weeks of Balco's share of production for a full year. It is not anticipated that more metal will be stockpiled and the 24-week production level will probably not be exceeded in 1982.

Malaysian asbestos group ahead

By Wong Sulong in Kuala Lumpur

UAC (formerly United Asbestos Cement) has reported pre-tax profits for the half year to December up by nearly 50 per cent to 15.3m ringgit ($6.6m). The expanded plant in Ipoh operated at full capacity in a buoyant construction market and turnover reached 61m ringgit ($26.3m), an increase of 33 per cent. UAC is paying a 12.5 per cent interim dividend on capital increased to 52.6m ringgit.

The company said second half growth could slow due to a less dynamic building market and later than usual orders for pipes and building materials from the Government.

James Hardie of Australia and Financiere Belge Del'Abeste Ciment of Belgium holds 37 per cent and 8 per cent respectively in UAC.

Growth for Saudi bank

THE Saudi American Bank, which is 40 per cent owned by Citibank, has reported a 21 per cent increase in 1981 net earnings to $82.3m and an 8.5 per cent increase in assets to $2.2bn.

The bank was formed in July 1980 after Citibank, which retains an eight-year management contract, agreed to relinquish majority control of its Saudi Arabian operation.

The new bank was incorporated as a Saudi institution with 60 per cent Saudi public shareholder ownership and a Saudi dominated board.

AP-DJ

VONTOBEL EUROBOND INDICES
14.5.76 = 100%

PRICE INDEX	16.2.82	9.2.82	AVERAGE YIELD	16.2.82	9.2.82
DM Bonds	91.88	92.06	DM Bonds	9.855	9.814
HFL Bonds & Notes	95.58	95.28	HFL Bonds & Notes	10.860	10.914
U.S. $ Strt. Bonds	88.02	88.05	U.S. $ Strt. Bonds	14.570	14.545
Can. Dollar Bonds	90.96	90.87	Can. Dollar Bonds	14.915	14.909

WORLD STOCK MARKETS

NEW YORK

Mixed early Wall St. showing

PRIMARILY DUE to technical factors, Wall Street was mixed with a slight bias to firmer levels at mid-session yesterday after fairly active dealings, despite announcements of more interest rate increases.

The market showed some initial softness after several major banks increased their Prime Rates to 17 per cent from 16½, but analysts said the move had been widely anticipated and did not set off a wave of new selling.

The Dow Jones Industrial Average was a marginal 0.77 down at 830.57 at 1 pm, but the NYSE All Common Index edged up 5 cents to $65.92 and rising issues were narrowly ahead of declines. Turnover further expanded to 34.92m shares from the previous day's 1 pm figure of 32.27m.

The market is resisting a drop below the 830 level on the DJ Average, analysts commented, and manages to hold at that level even with negative background news, such as interest rate rises. The Average, which finished on Tuesday at 831.34, has not closed below 830 since its September 25 1981-82 low of 824.01 and closed between 830 and 837 all last week.

Blue Chips are the only issues lending support to the market, analysts added. **Eastman Kodak** was up ⅛ to $69½, IBM ¼ to $62½, Sears ¼ to $16¼, U.S. Steel ⅛ to $23⅞ and Merck ⅜ to $85⅞.

THE AMERICAN SE Market Value Index picked up 1.23 to 272.91 at 1 pm. Volume 2.96m shares (3.0m).

Canada

Most sectors managed some recovery in moderate early trading yesterday. The Toronto Composite Index regained 6.6 at 1,658.8 at mid-day, while Golds put on 10.9 to 2,493.2, Oil and Gas 8.2 to 2,809.2 and Metals and Minerals 7.7 to 1,582.8.

Trading in the shares of Turbo, Merland and Bankeno are halted pending Turbo's court battle contesting the Ontario Security Commission's jurisdiction in Turbo's bid for Merland.

Closing Prices for North America were not available for this edition.

Tokyo

Blue Chips and Populars led the market broadly lower, with sentiment depressed by fears of EEC restrictions on Japanese trade and overnight increases in some U.S. interest rates.

The Nikkei-Dow Jones Average retreated 49.58 to 7,644.39 and the Tokyo SE index 3.57 to 566.50, although trading volume remained light, coming to 180m shares (150m).

Traders said growing protectionist moves both in the U.S. and Europe overpowered such factors favourable to the market as the yen's rally yesterday against the U.S. dollar and the announcement by Exchange authorities of a sharp decline in margin debts.

After the market closed on Tuesday, Exchange authorities said margin debts at the country's three major stock markets—Tokyo, Osaka and Nagoya—went down a record Y56.2bn more in a week. In an effort to give life to the market, authorities yesterday announced an easing of margin restrictions. Starting today they will allow margin traders to put down only 30 per cent of the cash value of their purchase, a fall from the previous 40 per cent requirement. Traders were not sure, however, whether the measure would be enough to revive the market.

Expected poor first-quarter consolidated results from **Pioneer Electronic**, down Y30 at Y1,480, also dampened sentiment. It announced a 55 per cent fall in consolidated net income after the market closed.

Hitachi dipped Y17 to Y702, **Toshiba** Y12 to Y366, **Nippon Electric** Y13 to Y855, **Sony** Y80 to Y3,510, **Toyota Motor** Y20 to Y1,040, **Canon** Y27 to Y918, **Sumitomo Metal** Y5 to Y215 and **Pharmaceutical Green Cross** Y90 to Y1,870.

Australia

Markets continued to decline despite evidence of scattered buying support for some Industrial and Mining stocks in late trading.

The All Ordinaries index was down 5.7 more to 505.8, its lowest level since introduction at the start of 1980. The Oil and Gas index weakened a further 17.2 to 504.2 and Industrials 6.3 to 649.6, although Metals and Minerals shed only 1.5 more to 365.0.

Brokers said that for the first time since the All Ordinaries fell through the 540 level, there were signs of some speculative buying interest in the market.

However, they expect it to continue to slide to around 450 or 460 in coming months, but noted that such a reaction to the previous boom period was expected and that the market is still almost 200 per cent above its 20-year low. This was reached in September 1974 and the Sydney Stock Exchange research department calculated that if the All Ordinaries index had been functioning then, it would have bottomed at 173.5. The brokers see little chance of history repeating itself because of the current fundamental strength of Australia's economy.

Domestic problems have had some influence on the current downturn, but the dominating factor remains the economic slowdown in other developed economies, particularly the U.S. Brokers said that almost every facet for a possible upturn in the Australian share market is dependent on some improvement in economic activity in the U.S. economy.

Jackson oil well partners were active, with CSR losing 7 cents to A$3.28 on high volume. Santos traded 190,000 shares in Sydney and finished 2 cents off at A$5.08, while 190,000 Claremont shares changed hands with the stock shedding 4 cents more to A$1.06. Jackson No 2 well flowed the equivalent of 490 barrels of oil a day during initial tests, and brokers said the market had pushed up participants previously on speculation of a stronger flow.

In the Mining sector, MIM recovered 5 cents to A$2.97 and Western Mining 6 cents to A$3.52.

Germany

With investors taking encouragement from Wall Street's late rebound on Tuesday, Bourse prices mostly showed some improvement yesterday although closing levels were below the day's best. Selective foreign buying emerged during a quiet session, with the Commerzbank Index gaining 4.8 to 694.8.

Lufthansa, continuing to benefit from the failure of cheap air travel pioneer Laker Airways, featured with an advance of DM 3.20 to DM 61.

Paris

Shares tended to gain further ground in active trading in spite of traditional selling on the eve of the monthly Settlement Day and signs that the decline in short-term interest rates appeared to have bottomed out. The Call Money rate was pegged at 14 1/16 per cent yesterday, after further falling to 14 per cent on Tuesday.

Hong Kong

Stock prices fell afresh initially yesterday on the overnight raising of some U.S. interest rates, but subsequently rebounded to end generally little changed on the day after another light trade.

The Hang Seng index declined more than 20 points, brushing close to the 1,200 level for the second successive day, before rallying to finish at 1,233.46, up 2.84 on balance. Combined turnover for the regular half-day Wednesday session amounted to HK$142.21m, against HK$197.23m for the full session on Tuesday.

Analysts and brokers took some encouragement from the fact that prices appear to have hit bottom after the recent slide, but none were willing to predict a sustained recovery. They said that the market remains too cautious overall and dependent on overseas developments.

CANADA

Stock	Feb. 16	Feb. 15
AMCA Intl.	19	19½
Abitibi	19¾	19¾
Agnico Eagle	7½	7⅝
Alcan Alumin.	23¼	22⅝
Algoma Steel	37¼	36¾
Asbestos	13¾	13⅛
Bk. Montreal	21¾	21¾

BELGIUM (continued)

Feb. 17	Price Frs.	+ or —
Petrofina	4,580	+50
Royale Belge	5,400	+100
Soc. Gen. Banq.	2,580	+25
Soc. Gen. Belge	1,462	—2
Sofina	3,465	—10
Solvay	2,220	—10

HOLLAND

Feb. 17	Price Fls.	+ or —
ACF Holding	78	
Ahold	64.0	+0.8
AKZO	26.8	+1.0
ABN	275.5	+1.5
AMEV	82.6	+1.4
AMRO	47.7	+0.1

AUSTRALIA

Feb. 17	Price Aust. $	+ or —
ANZ Group	4.08	
Acrow Aust.	1.6	
Ampol Pet.	1.4	—0.1
Assoc. Pulp Pap.	1.60	
Audimco	0.07	
Aust. Cons. Ind.	1.53	—0.01

JAPAN (continued)

Feb. 17	Price Yen	+ or —
Kubota	338	—4
Kumgai	360	—4
Kyoto Ceramic	3,730	—30
Lion	392	—6
Maeda Cons.	540	+10
Makita	752	—9
Marubeni	320	—3
Marudai	644	—1

Indices

NEW YORK ACTIVE STOCKS

COMMODITIES AND AGRICULTURE

Indonesia lukewarm over tin producers' group

BY RICHARD COWPER IN JAKARTA

INDONESIA, the world's second largest tin exporter, yesterday made it clear that it was lukewarm over Malaysia's suggestion that the world's top producers should set up a tin producers' association. Indonesia also appeared to pour cold water over Malaysia's proposal for a joint marketing arrangement to bypass the London Metal Exchange.

After more than one and a half hours' talks with Datuk Paul Leong, Malaysia's Minister for Primary Industries, Professor Dr Subroto, Indonesia's Minister for Mines, said Indonesia shared many of Malaysia's concerns about the current state of the tin market, particularly the U.S. decision to opt out of the new agreement and to continue selling surplus stockpile tin.

But Professor Subroto said he believed that a special tin producers' association was "not necessary."

He also made it clear that Indonesia did not, at the moment, intend to make production cuts. "Indonesia has no intention of cutting production, but we will take note of supply and demand," Professor Subroto said.

As for a joint marketing arrangement, Professor Subroto said "For us it is not so relevant because Indonesia markets the tin directly to consumers."

The main reason for Datuk Leong's visit was to consult Indonesia over what form such an association might take as well as discussing the possibility of a joint marketing arrangement and possible production cuts in view of the current world tin surplus. Before he left Kuala Lumpur, Datuk Leong was quoted as saying that Malaysia would present the blueprint of a producer's tin association to an association of South East Asian Nations (Asean) ministerial meeting due to be held in Kuala Lumpur on May 1.

But Indonesia is taking a more moderate line. Professor Subroto said Indonesia would do its utmost to ensure that the sixth International Tin Agreement—agreed to in principle last year—is signed by both producers and consumers before the deadline for ratification at the end of April. He did, however, warn the world's tin consuming countries that if they failed to ratify the agreement then tin producers might be forced to work closer together to protect what he called their "legitimate" interests. "We have no intention of forming a cartel, but if the sixth International Tin Agreement does not get off the ground, then I think it is only legitimate that producers work together to protect their interests."

Further falls in rubber

By Our Commodities Staff

NATURAL rubber prices fell to the lowest level since August 1976 on the London market yesterday. The RSS No 1 spot quotation was cut by a further 1.25p to 45p a kilo, making a loss of 2.5p this week alone. Traders reported further support buying by the buffer stock of the International Natural Rubber Organisation.

But consumer buying demand, especially for sheet rubber, remains at a very low ebb and the market is swamped with surplus supplies.

News of a rise in U.S. interest rates depressed sentiment since it is feared that this will delay for still longer any recovery in rubber's main markets—the tyre and automobile industries.

World grain stock increase

WASHINGTON — World stocks of wheat and coarse grains this summer are now projected at 189m tonnes, up from 187.2m tonnes forecast a month ago and 135.2m tonnes last year, the U.S. Agriculture Department said.

In its world grain circular, the department said world production and usage forecasts are only marginally changed from a month ago.

The department said U.S. wheat and coarse grain carryover stocks are projected at 93.8m tonnes, up sharply from 61.6m last year and the highest level in 20 years.

Tea-drinking campaign

NEW DELHI—Nine main tea exporting countries agreed yesterday to finance a million-dollar campaign to popularise tea-drinking among young people in the Netherlands, Denmark, Egypt and Nigeria.

A three-day conference of the International Tea Promotion Association (ITPA) here ended with an agreement to spend about $1m in 1982 and 1983 to promote tea "as a healthy beverage" in those countries, ITPA executive director T. S. Broca said.

Reuter

UK farm incomes up 14%

BY RICHARD MOONEY

BRITISH FARMERS' incomes rose by 14 per cent on average last year, beating the inflation rate by nearly 3 per cent, according to the Government's Annual Review of Agriculture*, published yesterday. This ended a run of four years in which incomes fell sharply. But farmers still earned less, in both real and money terms, than they did in the 1976-78 period.

The improvement in farm incomes resulted from a 10 per cent increase in output prices which exceeded the rise in input prices by 1 per cent. This lifted total net income to £1.21bn from £1.06bn in 1980.

The review pointed out, however, that there were considerable variations in the performance of farms in different sectors and geographic regions. UK dairy producers generally earned more but there were declines in Wales and Northern Ireland.

Incomes of livestock producers were up in the less favoured areas, northern England, Wales and parts of Scotland, but down in the west of England, Northern Ireland and other areas of Scotland.

General cropping farms mostly earned less but specialist cereal producers increased their earnings (except in the North of England). Some improvement in profits was recorded for pig and poultry producers.

On the investment front the picture remained distinctly gloomy. Outstanding bank advances rose to a record £3.4bn, 20 per cent up from 1980 and 50 per cent more than in 1979. But at the same time the level of new fixed investment fell by 21 per cent. Thanks to the decline in interest rates total interest payments by farmers increased by only 1.3 per cent but this still represented 38 per cent of net income compared with 12 per cent in 1977.

The number of farm holdings in Britain fell to 242,300, 5 per cent fewer than in 1976, but their average area was 6 per cent more at 119 hectares. Over the past five years the average cereal holding increased from 32 to 38 hectares and sugar holdings by 20 per cent.

* *Annual Review of Agriculture 1982, from HMSO, price £4.65.*

Sugar quotas unresolved

The International Sugar Organisation committee set up to decide on the basis for allocating basic export tonnages in 1983 and 1984, under an extended International Sugar Agreement, reached no conclusions and will meet again on March 17, Reuter reported.

Delegates said a likely solution will be to allocate the same overall total as for 1982 either in the same proportions to individual exporters or in different proportions according to updated relative export performances.

Meanwhile the EEC Commission yesterday authorised the export of 49,250 tonnes of white sugar at its weekly selling tender. Maximum subsidy rate was 20.59 European currency units, down on the 21.202 units subsidy last week for exports of 49,000 tonnes.

There was little reaction on the world sugar futures market, since the volume authorised was in line with expectations. The London daily price for raw sugar was raised by £4 to £177 a tonne in the morning to reflect the firmer trend in New York overnight on rumours of possible Russian buying. But the daily price for white sugar was unchanged at £183 and there was little change in futures value.

Protecting the salmon

BY A CORRESPONDENT

THE new international organisation to conserve North Atlantic salmon formed last month implies recognition of the urgent need to control and conserve stocks of salmon.

The EEC has banned all salmon fishing outside 12-mile limits by member countries. The Community's growing awareness of the need to protect salmon is welcome at a crucial time.

Next December, in the absence of an agreed Common Fisheries Policy, EEC members will have legal access to fish "up to the beaches" in UK territorial waters. The privately-funded Atlantic Salmon Trust (AST), which has done so much to publicise the plight of the salmon, believes that even if no fisheries policy is agreed the Government would continue to enforce the present regulations.

The real threat identified by the AST is that an agreed fisheries policy will not take account of the salmon's special case. For in the Community only Ireland, France and Britain are salmon-producing countries.

The two fisheries which net wintering salmon, Greenland and the Faroes, have improved salmon's chances.

Since the AST's research team's spring report on the Greenland drift-net fishery, securing future quota agreements (presently 1,190 tonnes) will be easier. Much depends on Greenland's referendum on EEC membership this year.

The Faroes are the North Atlantic rogues, having increased their catch from 20 to 1,000 tonnes in five years, with much of the catch being sea-winter fish and grilse. The Faroese method of long lines with hooks catch everything irrespective of size, although fish under 4½ lb are rejected and never recorded.

In September the EEC stipulated that Faroese fishing rights in Community waters were conditional on discussion of a salmon quota, which represents an unprecedentedly firm stand.

Salmon urgently need preserving in their wintering grounds and all the way back to parent rivers. Declining British catches in 1979 and 1980 (grilse down in 1980 by over 100,000) emphasise this. The two most destructive offshore fisheries are off Northumberland and western Ireland.

The Northumbrian fishery (60,000 salmon annually in the years 1970 to 1976) uses monofilament drift-nets injurious to escaping salmon and has virtually wiped out the species in the Tyne and Tees. Of the present catch 90 per cent are on their way to Scottish rivers, most notably the Tweed.

The western Irish fishery has almost eradicated salmon in Irish rivers. Drift-netting has increased from 20 to 80 per cent of all salmon fishing off Irish coasts, which is open to all comers. Recent legislation restricting the netting season and limits on the length of nets are still widely abused. Tagging has established that many of these fish were bound for English and Scottish rivers.

Ireland is unlikely to tighten up against abuses in its own system while Britain allows the Northumbrian fishery to continue. Ireland could also point to the widespread illegal salmon netting off north and north-west Scotland.

A policy which Northern Ireland has adopted to control poaching—a licence system for selling salmon—is advocated by the AST for Britain too.

The AST recommends that all drift-netting for salmon is banned to save the species. Traditional T-nets set from the shore do less harm to stocks, are easier to control, and only catch locally-homing salmon. There are, however, considerable sociological, political and economic problems in achieving the controls which would ensure the salmon's survival.

Fishing lobby calls for UK action

By Our Commodities Staff

LEADERS OF Britain's fishing industry urged MPs yesterday to press the Government to make a statement of intent to "go it alone" if no agreement is reached on the proposed EEC fisheries policy by the end of this year.

At a mass lobby 100 members of the National Federation of Fishermen's Organisation (NFFO), the British Fishing Federation (BFF), and the Scottish Fishing Federation, told members for fishing constituencies Britain should adopt unilateral measures to protect its fishing industry if attempts to reach an EEC accord failed.

Later the fishermen's leaders held talks with Mr Peter Walker, Minister of Agriculture and Fisheries, to press their case for direct action and Government aid in the meantime.

Mr Walker said he would study the case for further aid but was not ready to talk of unilateral action. He regarded this as a negative move while talks on a common fisheries policy were proceeding.

Common fund programme threatened

BY BRIJ KHINDARIA IN GENEVA

THE UNITED NATIONS integrated programme aimed at stabilising commodity prices, through international agreements, is on the brink of disintegration. The extent of the crippling deadlock in negotiations became clear this week when delegates from 100 countries met in Geneva this week.

The impasse has occurred not only because of disputes between producers and consumers, but also because of bickering among Third World exporters. A further problem is President Reagan's apparent conviction that commodity agreements should be treated with great scepticism because they interfere with free market mechanisms.

The latest blow to Unctad's programme was dealt by India, Sri Lanka and Kenya in New Delhi last week when they failed to agree on a joint producers' position for negotiations with consumers on a new International Tea Agreement.

The programme's only success since its inception in 1976 has been an agreement to stabilise natural rubber prices within an agreed range using a system of reserve buffer stocks. With rubber prices at the lowest level since April 1978, Malaysia, the world's largest producer, is dissatisfied with the agreement's operation and a former president of the Malaysian Rubber Exchange this week called for creation of a producers' cartel.

Unctad insists that the troubles caused by falling real commodity prices are reaching crisis proportions for Third World exporters. Their shortfall in earnings from sales of 23 commodities will reach $186bn in the 1981-1990 period compared with past trend levels.

According to Unctad, both the Stabex scheme run by the Common Market to stabilise commodity prices for members of the Lome convention, and the separate compensatory financing facility run by the International Monetary Fund—to meet balance of payments deficits caused by large food purchases—are inadequate and "not specifically geared" to the problems of commodity exporters.

Unctad has raised the alarm because its commodity price index registered a fall of more than 20 per cent during 1981 alone, raising the spectre of a more than $100bn current account deficit for non-oil exporting third world countries in 1981.

The Unctad commodity programme's record makes dismal reading. Agreements for cocoa and tin, which existed before Unctad's programme was created, have been renewed under the programme's aegis but both are in grave trouble.

New agreements for jute and cotton will concern only market promotion and consultations among producers and consumers, rather than price stabilisation measures.

A consensus has been reached in the case of meat to create a co-ordinated programme to improve production and quality standards through new internationally financed schemes, but the aim of price stabilisation has been officially abandoned.

Similar research and development and market promotion accords are being discussed for tropical timber and vegetable oils and seeds, including groundnuts and coconuts and their products.

Progress in the minerals area has been minimal. Talks for a copper accord are deadlocked. Talks for a manganese accord are in a very early stage and those on bauxite have not yet begun.

But the severest blow to the programme will come from the delay in creating the planned $750m Common Fund to finance both stocking arrangements and market promotion and related schemes for the programme's 18 commodities.

Only 20 countries have so far ratified the agreement to create such a fund, although 77 countries initialled the accord indicating their intention of ratifying it. At least 90 countries must ratify it before it can enter into force.

BRITISH COMMODITY MARKETS

BASE METALS

BASE METAL prices were mostly little changed in quiet trading on the London Metal Exchange with the exception of Nickel, which encountered strong selling pressure and fell to £3,125 by the close. Copper closed at £895, Lead at £341, Zinc at £444 and Aluminium at £608.5. Cash Tin edged downwards to £8,930, with forward metal at £7,870.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
Higher Grade	£	£	£	£
Cash	868.5	+4	867.8	-1.25
3 months	894.5	-2.25	894.5-5	-1.5
Settlem't	868.5	+4	—	
Cathodes				
Cash	864.5	-1.75	864.5-5	+1.75
3 months	890-.5	-1	891-2	-2
Settlem't	865	-2	—	
U.S. Prod.	—		*75.5-82	

Amalgamated Metal Trading reported that in the morning high grade cash copper traded at £868, 69, 68.50. Three months £893, 92.50, 93.00, 94.00, 94.50. Cathodes cash £864.00, three months £890.50. Kerb: High grade, three months £894.00, 94.50, 95.00. Afternoon: High grade three months £895.00, 95.50. Kerb: High grade three months £895.00, 95.50. Turnover: 14,325 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	8940-60	-22.5	8890-900	-65
3 months	7900-20	-35	7930-40	+22.5
Settlem't	8960	-20	—	
Standard				
Cash	8930-40	-22.5	8890-900	-65
3 months	7885-90	-17.5	7880-10	-32.5
Settlem't	8940	-20	—	
Straits E.	$33.60	-0.18	—	
New York	—			

Tin—Morning: Standard, cash £8 950, 40, 30, 20, 40. Late February £8,500. Three months £7,890, 70, 80, 85. Kerb: Standard, cash £8 940, 30. Three months £7 890. Afternoon: Standard, cash £8,940, 35, 40, 35. End February £8,450. Three months £7,900, 7,890. Kerb: Standard, cash £8,940, 20, 30. Three months £7,880, 80, 70. Turnover: 2,215 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	331.5	+0.75	329.30	-1.5
3 months	341.5-2		340.5-.75	-2.5
Settlem't	331.5	-0.5	—	
U.S. Spot	—		*28	

Lead—Morning: Three months £341.50, 41.00, 42.00. Kerb: Three months £341.50, 41.00. Afternoon: Three months £342.00, 41.50, 41.00, 40.50. Kerb: Three months £340.00, 41.0. Turnover: 8,575 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	441.5	-0.87	443.5-40.5	-7
3 months	447-8	-1.5	445.5-6	-7.5
S'ment	441.5	-0.5	—	
Primw'ts	—		*42.75-3.75	

Zinc—Morning: Cash £441.50. Late £446.00. Three months £449.00, 48.50, 48.00, 47.50, 48.00, 47.50. Kerb: Three months £447.50, 47.00, 48.00, 47.50, 47.00. Afternoon: Three months £447.50, 47.00, 46.50, 46.00, 45.50. Kerb: Three months £445.00, 46.00, 45.00, 44.00. Turnover: 12,700 tonnes.

Aluminm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	587-8	+1.5	588-9	-1
3 months	607-.5	+.75	608.5-9	-1.5

Aluminium—Morning: Cash £588.0, 87.50. Three months £607.00, 07.50, 08.00, 07.50. Kerb: Three months £607.00, 06.00. Afternoon: Three months £607.00, 07.50, 08.00, 08.50. Kerb. Three months £608.00, 08.50. Turnover: 10,600 tonnes.

Nickel—Morning: Three months £3,190, 85, 70, 65, 60, 55, 50. Kerb: Three months £3,150, 55, 60. Afternoon: Three months £3,155, 60, 55, 50, 40, 35, 30, 25. Kerb: Three months £3,130, 25. Turnover: 840 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	3150-40	-65	3100-110	-105
3 months	3150-55	-66.5	3120-30	-102

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

SILVER

Silver was fixed 8.25p an ounce lower for spot delivery in the London bullion market yesterday at 459.2p. U.S. cent equivalents of the fixing levels were: spot 844c, down 12.7c; three-month 877.2c, down 12.7c; six-month 909.2c, down 12.8c; and 12-month 979c, down 12.3c. The metal opened at 460-464p (847-852c) and closed at 454-459p (837-842c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unofficial	+ or —
Spot	459.20p	-8.25	454.25p	-12
3 months	474.95p	-7.5	470p	-12.5
6 months	490.60p	-7.55		
12 months	524.10p	-7.6		

LME—Turnover: 125 (158) lots of 10,000 ozs. Morning: Cash 459.8, three months 475.0, 75.2, 75.0, 75.1. Kerbs: Three months 475.5. Afternoon: Three months 471.0, 70.0, 69.0, 69.0. Kerbs: Three months 471.0, 72.0.

COCOA

Futures traded in thin volume throughout a dull day for prices to close unchanged. Actuals business barely absorbed further pressure and was scarce although underlying consumer interest was apparent, reported Gill and Duffus.

COCOA	Yes'rday's Close	+ or —	Business Done
March	1201.02	-3.0	1210-199
May	1167-68	-1.0	1174-63
July	1178-79	0.5	1182-75
Sept	1189-90	-4.0	1190-00
Dec	1204-05	-1.0	1206-05
March	1221-22	+2.5	1221
May	1230-32	-5.0	1230

Sales: 1,280 (1 755) lots of 10 tonnes.

ICCO—Daily price fob Feb 17 95.21 (94.87). Indicator price for Feb 18, 95.29 (95.38)

COFFEE

Despite opening with marginal gains, values then gradually drifted lower, reports Drexel Burnham Lambert. Trade buying absorbed further pressure and provided fresh incentive for a steadier close.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
March	1400-05	+15.5	1400-85
May	1331-32	-1.00	1340-13
July	1271-73	-4.50	1280-57
Sept	1241-42	-6.00	1251-25
Nov	1214-20	-4.00	1216-05
January	1190-10	-10.0	—
March	1185-05	-12.5	—

Sales: 4 942 (5,718) lots of 5 tonnes.

ICO Indicator prices for February 16 (U.S. cents per pound): Comp. daily 1979 138.44 (137.40). 15-day average 131.73 (130.73)

GRAINS

The market opened unchanged. Old crop wheat remained steady but barley eased on long liquidation of the spot position. New crops were quietly steady, Acli reports.

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yest'rd'ys close	+ or —
Mar	111.05	-0.05	107.05	-0.15
May	115.05	—	110.10	-0.05
Sept	102.95	-0.05	102.65	-0.10
Nov	105.65	-0.10	105.50	-0.10
Jan	110.00	-0.05	110.55	-0.05

Business done—Wheat: March 111.10-111.00, May 114.70-114.65, July 118.20-118.10, Sept 106.95 only, Nov 110.05-110.00, Jan no trades. Sales: 190 lots of 100 tonnes. Barley: March 107.20-107.05, May 110.20-110.00, Sept 102.65 only, Nov 106.50 only, Jan no trades. Sales: 299 lots of 100 tonnes.

HGCA—Locational ex-farm spot prices. Other milling wheat: Eastern 113.20. Feed barley: Eastern 110.00.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 1 14 per cent Feb 123.25, March 123.25 transhipment East Coast sellers. U.S. Hard Winter, 13½ per cent: March 116.50 transhipment East Coast quoted. Maize: English Feed fob April 112.50, April-June 114.75. Oct Dec 110 sellers East Coast. Rest unquoted.

RUBBER

The London physical market opened easier, attracted little interest throughout the day, and closed dull. Lewis and Peat recorded a March fob price for No 1 RSS in Kuala Lumpur of 202.5 (same) cents a kg and SMR 20 180.5 (same).

No. 1 R.S.S.	Yest'r'ys close	Previous close	Business Done
Mar	45.00-46.00	45.00-46.10	—
April	46.20-46.30	47.20-47.50	—
Apl-Jne	47.69-47.70	49.10-48.30	48.20-47.50
Jly-Sept	51.10-51.20	51.70-51.80	51.60-51.10
Oct-Dec	54.40-54.50	55.10-55.20	54.90-54.40
Jan-Mar	57.70-57.80	58.30-58.40	58.00-57.70
Apl-Jne	60.70-60.60	61.30-61.40	60.80
Jly-Sept	63.80-63.90	64.30-64.40	64.00-63.80
Oct-Dec	66.20-67.00	67.30-67.40	66.90

Sales: 598 (270) lots of 15 tonnes, nil (22) lots of 5 tonnes.

Physical closing prices (buyers) were: spot 45.00p (46.25p); March 49.00p (49.75p); April 48.75p (49.50p).

SOYABEAN MEAL

The market opened around 1.50p better in quiet conditions, reports T. G. Roddick. Prices remained in a narrow range in lack of any fresh news.

	Yesterdys Close	+ or —	Business Done
	£ per tonne		
February	129.50-35.0	-2.55	130.00
April	131.30-31.5	-0.15	131.70-31.50
June	129.50-29.4	-0.05	129.70-29.20
August	129.40-29.7	-0.10	130.00-29.50
October	130.40-30.7	-0.05	131.00
Dec	131.00-32.0	-0.10	—
Feb	131.00-36.0	-0.25	—

Sales 94 (55) lots of 10 tonnes.

GAS OIL FUTURES

A firmer physical market caused futures to open steadier. Bearish crude oil news and a weak New York opening later depressed the market, reports Premier Man.

Month	Yesterdys close	+ or —	Business Done
	$ U.S. per tonne		
February	283.50	+0.50	285.50-81.50
March	271.25	-1.75	275.75-71.00
April	265.25	-4.00	271.75-65.00
May	264.75	-1.75	265.00-64.50
June	266.50	-1.50	265.75-65.60
July	266.50	-1.50	266.00
August	274.00	-3.50	—
Sept	276.50	-1.50	271.00
Oct	280.00	-1.00	—

Turnover: 1,279 (1 388) lots of 100 tonnes.

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—Close (in order: Buyer, seller, business). New Zealand cents per kg. March 381, 387, 387-384; May 393, 398, 395-391; Aug 412, 414, 413-406; Oct 411, 416, 413-409; Dec 413, 416, 415-411; Jan 414, 417, 417-412; March 426, 433, 433-422; May 434, 436, 435-431; Aug 444, 445, 441. Sales: 112.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. March 509.5, 510.5, 511.0-510.0; May 520.5, 521.0, 521.0-520.0; July 528.5, 528.5, 529.0-528.0; Oct 524.0, 524.5, 525.0-522.5; Dec 528.0, 529.5, 530.5-529.5; March 534.0, 534.5, 535.0-523.5; May 538.0, 539.0, 539.5, 538.5; July 544.0, 545.0, 545.0. Sales: 343.

SUGAR

LONDON DAILY PRICE—Raw sugar £177.00 (£173.00) a tonne cif Feb-March-April shipment. White sugar daily price £183.00 (same).

The market opened about £1 higher but fell back when New York failed to match up, reports C Czarnikow.

No. 4 Contract	Yesterday close	Previous close	Business done
	£ per tonne		
March	180.25-80.50	180.10-80.25	181.25-79.75
May	181.30-81.50	181.30-81.40	182.00-80.50
Aug	183.70-83.75	183.70-83.90	184.50-83.00
Oct	186.65-86.75	186.65-87.00	190.00-86.25
Jan	187.60-87.90	188.00-88.50	—
March	191.00-91.50	191.10-91.20	191.00-90.25
May	193.00-93.75	193.00-93.50	193.00-92.75

Sales: 4,293 (4,454) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £274.00 (same) a tonne fob for home trade and £283.50 (£283.50) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for Feb 16: Daily price 13.43 (13.22); 15-day average 13.24 (same).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 180 tonnes. Fair demand trading developed, but in many instances buyers remained cautious, and even in North and South American grades the call for supplies was only spasmodic.

POTATOES

LONDON POTATO FUTURES—The market was initially quietly steady but was later spurred by strong Dutch prices before easing back on long liquidation. At the close the market was again steady, reports Coley and Harper. Closing prices: April 134.10, +2.10 (high 135.00, low 132.00). Nov 66.60, +1.10 (high 66.60, low 66.30); Feb 77.00, unchanged (77.00 only). Turnover: 411 (245) lots of 40 tonnes.

HIDES—Leeds: The market was unchanged to slightly weaker. Second clears Ox: 31-35.5 kg 60.5p a kg (61.5p a kg) 26-30.5 kg, 68.0p a kg (69.0p a kg); 22-25.5kg, 78.0p a kg (77.5p a kg). Light cows: 25.5 kg, 74.5p a kg (74.1p a kg).

MEAT/VEGETABLES

SMITHFIELD—Pence per pound. Beef: Scotch killed Sides 85.5 to 93.0; Ulster Hindquarters 91.0 to 96.0. Forequarters 65.5 to 71.0. Veal: Dutch Hinds and Ends 117.0 to 125.0. Lamb: English Small 81.0 to 88.0; Medium 81.0 to 87.0. Imported: New Zealand PL 66.0 to 67.0, PM 67.0 to 67.0, PX 65.0 to 66.0, YLs 65.0 to 66.0. Pork: English, under 100 lb 39.0 to 56.0, 100-120 lb 47.0 to 53.0, 120-160 lb 41.0 to 53.0.

MEAT COMMISSION—Average Fatstock prices at representative markets. GB—Cattle 100.89p per kg lw (−0.54). UK—Sheep 201.42p per kg est dcw (+2.55). GB—Pigs 77.82p per kg lw (+0.48).

COVENT GARDEN—Prices for the bulk of produce in sterling per package except where otherwise stated. Imported Produce: Oranges — Spania: Navels Navelinas 42/130 3.60-5.00. Jaffa: Shamouti 60/108 4.70-5.60; Moroccan Navels 56/113 3.00-4.50. Clementines—Spania: 6.00-7.00. Moroccan: 5.00-6.50. Satsumas—Spania: 3.80-4.40. Minneolas—Jaffa: 32/81 4.50-7.00; Cyprus: 53-72 5.50-6.20; U.S.: 72/100 8.50-9.00. Lemons—Cyprus: 3.00-4.50; Spania: 40/50 2.20-2.50; Italian: 80/120 5.00; Jaffa: 45/50 2.50; U.S.: 115 6.00. Grapefruit—U.S.: Pink 32-48 5.50-6.00; Cyprus: large carton 3.00-4.00, small carton 2.50-3.20; Jaffa: 36/88 3.50-4.90. Apples—French, New crop, Golden Delicious 20 lb 3.00-3.80, 40 lb 6.00-7.60. Stark Crimson 40 lb 7.00-7.80, 20 lb 3.40-3.80. Granny Smith 10.00-10.80; Canadian: Red Delicious 9.50-11.00; U.S.: Red Delicious 10.00-14.00. Pears—Dutch: Comice 14 lb, per pound 0.30; South African: Clapp's 34 lb 5.50-6.00, Williams' Bon Chretien 7.50-8.50; Italian, per pound Passacrassana 0.14-0.17. Peaches—South African: 3.50-4.00. Plums—South African: per pound Eldorado 0.25-0.40, Songold 0.30-0.45, Wicksons 0.30-0.40, Harry Pickstone 0.35-0.50, Gaviota 0.25-0.40, Kelsey 0.30-0.45. Grapes—Spanish: Almeria 11 lb 2.00-3.00; Brazilian: 10 lb Italia 8.00-8.50, Thompson 9.50; S. African: Dan Ben Hannah 8.00, Queen of the Vineyard 6.80-7.00, Thompson 10.50; U.S.: Red Emperior 0.50-0.60. Strawberries 0.00; U.S.: 1.10. Litchees—S. African per pound 1.00. Melons—Spanish: green 10 kg 10.0-11.00; Brazilian: Yellow 9.00-11.00. Pineapples—Ivory Coast: each 0.35-1.20.

English Produce. Potatoes—per 55 lb, White 2.50-3.00, Red 3.00-3.50, King Edwards 3.00-4.00. Mushrooms—per pound, open 0.30-0.40, closed 0.50-0.60. Apples—per pound, Bramley 0.18-0.28, Cox's 0.20-0.34, Spartan's 0.20-0.25, Russets 0.20-0.28. Pears—per pound Conference 0.14-0.22, Comice 0.18-0.26. Cabbages—per 30-lb bag, Celtic/Jan King 2.00-3.00. Lettuces—per 12, round 1.00-1.60. Onions—per 55 lb 40/80mm 2.00-2.80. Carrots—per 26/28 lb 1.40-2.20. Beetroots—per 28 lb, round 1.00-1.20, long 1.50-1.80. Swedes—per net 0.80-1.00. Sprouts—per 20 lb 2.00-4.00. Rhubarb—per pound, 14 lb box, 0.30. Leeks—per 10 lb 1.00-1.50. Parsnips—per 26/28 lb 1.00-1.60. Turnips—per 26/28 lb 1.00-1.40. Tomatoes—per pound D/E 0.40-0.50. Cucumbers—per package 7.00-8.00.

*

GRIMSBY FISH—Supply good, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £4.60-£5.40, codlings £2.80-£4.50. Large haddock £5.50-£8.00, medium £5.00-£6.00, small £2.60-£4.40. Large plaice £3.80, medium £3.40, best small £2.80-£3.50. Skinned dogfish, medium, £10.00. Lemon soles, large, £15.00; medium, £12.00. Saithe £2.50-£2.90.

PRICE CHANGES

In tonnes unless otherwise stated.

	Feb. 17 1982	+ or —	Month ago
Metals			
Aluminium	£810/815		£810/815
Free Mkt	$1065/1075		$1120/1150
Copper			
Cash h grade	£867.5	+1.25	£859
3 mths	£894.75	+1.5	£889
Cash Cathode	£864.75	+1.75	£857.5
3 mths	£891.5	+2	£888.75
Gold troy oz	$372.25	-7.75	$378
Lead Cash	£329.5	-2.25	£356
3 mths	£340.625	-3.62	£363.75
Nickel	£3771.7		£3777.75
Free mkt	335/355c		355/60c
Platin'mr oz'y	£260		£260
Freemkt	£196.75	-2.75	£190.05
Quicksilver†	$395/405		$400/410
Silver troy oz	459.20p	-8.25	414.75p
3 mths	474.95p	-8.20	429.45p
Tin Cash	£8895	-65	£8995
3 mths	£7935	+22.5	£7947.5
Tungsten22.04lb	$138.05	+3.24	$135.60
Wolfram22.04lbs	$125/129		$127/133
Zinc Cash	£440	-7	£455.5
3 mths	£445.75	-7.75	£443.25
Producers	$875/950		$875/950
Oils			
Coconut (Phil)	$582.5y		$550
Groundnut	£670.w	-2.5	
Linseed Crude	£430		
Palm Malayan	$480x		$512.5
Seeds			
Copra Ph'lip	$540	-7.5	$550
Soyabean (U.S.)	$256	-1	$269
Grains			
Barley Fut. May	£110.10	-0.05	£108.60
Maize	£133.50x		£135.50
Wheat Fut. May	£114.65		£113.50
No.2 HardWint	£116.50x		£117.25
Other commodities			
Cocoa ship't*	£1203	+1	£1276
Future May	£1167.5	+1	£1206.5
Coffee Ft' May	£1331.5	-1	£1150.5
Cotton A.Index	69.90c		70.20c
Gas Oil Mar.	$271.25	-1.75	$305.75
Rubber (kilo)	45p	-1.25	50p
Sugar (Raw)	£177wy	+4	£162
Woolt'ps 64s kl.	387p kilo		388p kilo

‡ Unquoted. v April. y April-May. w Feb-March. x March. † Per 76-lb flask. * Ghana cocoa. n Nominal. § Seller.

AMERICAN MARKETS

NEW YORK, February 17

Precious metals continued under light selling pressure as a result of bearish technical and fundamental indications. Cocoa was under pressure from trade selling and commission house liquidation. Coffee was mixed with nearby months under pressure due to a build-up in stocks awaiting certification. Heating oil was lower on indications that the cash market was again under pressure. Cattle markets finished higher on strong demand and slow country movement, reported Heinold.

Copper—Feb 70.25 (71.25), March 71.50-71.60 (71.65), April 72.70, May 73.75-73.85, July 75.80-75.95, Sept 77.80-77.85, Dec 80.60, Jan 81.55, March 83.35, May 85.15, July 86.95, Sept 88.75, Dec 91.45.

Potatoes (round whites)—March 80.0 (81.6), April 84.3-84.5 (86.2), Nov 73.0. Sales: 1,133.

†Silver—Feb 842.0 (847.0), March 843.0-848.0 (851.0), April 856.2, May 867.0-869.0, July 890.5, Sept 913.8, Dec 947.0, Jan 958.8, March 981.3, May 1003.8, July 1026.3. Handy and Harman bullion spot: 858.00 (849.00).

Sugar—No. 11: March 13.78-13.79 (13.86), May 13.80-13.83 (13.90), July 13.88-13.99, Oct 14.12-14.13, Jan 14.45, March 14.85, May 14.80-14.84, July 14.90-15.20. Sales: 9,900.

Tin—740.00-749.00 (735.00-750.00).

CHICAGO, February 17

Lard—Chicago loose 22.50 (same).

Live Cattle—Feb 65.50-65.55 (64.87), April 64.00-64.10 (63.42), June 62.15-62.35, Aug 60.85-60.85, Oct 58.55-58.52, Dec 59.10-58.90.

†Maize—March 259-259¼ (262¼), May 278-277¾ (276¼), July 289½-289¼, Sept 296¼, Dec 301½-301¼, March 314¾.

Pork Bellies—Feb 69.45-69.40 (70.15), March 68.30-68.60 (69.45), May 69.60-69.50, July 69.45-69.60, Aug 67.50-67.40.

†Soyabeans — March 621-621½ (623½). May 637½-637 (640), July 659-654, Aug 659, Sept 660, Nov 672-670, Jan 684, March 699.

‡Soyabean Meal—March 186.5-186.3 (187.4), May 192.5-187.0 (187.2), July 190.3-190.1, Aug 192.0, Sept 194.5, Oct 195.0, Dec 197.0, Jan 198.0-198.5.

Soyabean Oil—March 18.57 (18.68), May 19.35-19.33 (19.47), July 20.08, Aug 20.35, Sept 20.60-20.65, Oct 20.85, Dec 21.40, Jan 21.60, March 22.20.

Live Hogs—Feb 51.15-51.25 (50.45), April 47.45-47.40 (47.17), June 50.10-50.00, July 51.10-50.95, Aug 50.30-50.50, Oct 47.52, Dec 48.45, Feb 49.20.

WINNIPEG, February 17

§Barley—March 127.30 (127.70), May 129.60 (130.10), July 134.00, Oct 135.60, Dec 135.80.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 225.70 (229.54).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. § $ per short ton (2,000 lb). § $Can. per metric ton. §§ $ per 1,000 sq feet. ‡ Cents per dozen. †† $ per metric ton.

*Platinum—April 361.0-364.8 (365.2), July 373.5-374.0 (383.7), Oct 384.5-385.0, Jan 400.0-401.0, April 416.0-417.0.

*Gold—Feb 375.5 (375.41). March 376.4 (378.2), April 380.9-381.2, June 389.9-390.8, Aug 399.0-401.0, Oct 409.5, Dec 419.4, Feb 429.5, April 439.7, June 450.1, Aug 460.5, Oct 471.1, Dec 481.8.

Tuesday's closing prices

††Cocoa—March 1960 (1975), May 1993 (1988), July 2023, Sept. 2067, Dec. 2097, March 2127. Sales: 2,014.

Coffee—"C" Contract: March 159.00-159.25 (159.68), May 146.75-147.00 (145.31), July 138.25-138.40, Sept. 132.40-132.50, Dec. 127.80, March 124.00-125.00; May 118.00-125.00, July 116.00-125.00. Sales: 3,635.

Cotton—No. 2: March 62.80-63.00 (62.52), May 65.40-65.50 (65.02), July 67.70-67.85, Oct. 70.40, Dec. 71.30-71.60, March 73.20, May 74.00-74.50, July 74.70-75.50.

Orange Juice—March 131.30-131.60 (131.05), May 134.20 (133.90), July 137.00-137.40, Sept. 139.40-139.50, Nov. 140.50, Jan. 142.30, March 143.45-143.60, May 144.65-144.85, July 144.95-145.25. Sales: 1,600.

CHICAGO, February 16.

Chicago Imm Gold — March 376.0-376.8 (379.6), June 390.5 (393.9), Sept. 403.8, Dec. 420.9, March 436.2, June 451.9, Sept. 467.4.

EUROPEAN MARKETS

ROTTERDAM, February 17.

Wheat — (U.S. $ per tonne): U.S. No. 2 Dark Hard Winter, 13.5 per cent: Feb 199, March 184.50. U.S. No. 2 Red Winter: mid-Feb/mid-March 164.50, March 165, April 168.50. U.S. No. 3 Amber Durum: Feb 214, April/May 128, June 188, July 189, Aug 191. U.S. No. 2 Northern Spring, 14 per cent: Feb 203, March 206.50, May 183.50, June 183.50, July 183.50. Canadian Western Red Spring: Afloat 223, April/May 212.

Maize — (U.S. $ per tonne): U.S. No. 3 Corn, Yellow: Afloat 125, Feb 125, March 125, April 125, May 126.50, June 129, July/Sept 131, Oct/Dec 134 sellers.

Soyabeans — (U.S. $ per tonne): U.S. No. 2 Yellow, Gulfports: Feb 250, March 251, April 254, May 257, June 259, July 261, Aug 262.75, Sept 262.70, Oct 263.25, Nov 263.25, Dec 267.25 sellers.

Soyameal—(U.S. $ per tonne): 44 per cent protein, U.S. March 232 traded, Afloat 232, Feb 233.50, March 232.50, April 233, April/Sept 229.50, Nov/March 241 sellers. Brazil Pellets: Feb 251, March 249, mid-March 244, April 238, May 238.50, April/Sept 239 sellers.

PARIS, February 17.

Cocoa—(FFr per 100 kilos). March 1280-1289, May 1285-1293, July 1303-1312, Sept 1320-1329, Dec 1340-1347, March 1354-1363, May 1361-1372. Sales at call: Nil.

Sugar—(FFr per tonne): May 2057-2059, July 2265-2075, Aug 2095-2093, Oct 2080-2090, Nov 2080-2090, Dec 2075-2090, March 2130-2133, May 2170-2175. Sales at call: 51.

INDICES

FINANCIAL TIMES

Feb. 16	Feb. 15	Month ago	Year ago
248.70	249.09	248.98	254.13

(Base: July 1, 1952=100)

MOODY'S

Feb. 16	Feb. 12	Month ago	Year ago
1005.5	1009.2	998.6	1153.7

(December 31, 1931=100)

DOW JONES

Dow Jones	Feb. 16	Feb. 12	Month ago	Year ago
Spot	128.88	128.91	126.39	—
Futr's	136.18	135.89	133.59	—

(Base: December 31, 1974=100)

REUTERS

Feb. 17	Feb. 16	M'nth ago	Year ago
1622.8	1621.9	1617.2	1693.7

(Base: September 18 1931=100)

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Higher U.S. interest rates fail to dampen strong Gilt market and equity leaders follow Inter-City increase

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Jan 25	Feb 11	Feb 12	Feb 22
Feb 15	Feb 25	Feb 26	Mar 8
Mar 1	Mar 11	Mar 12	Mar 22

* "New time" dealings may take place from 9.30 am two business days earlier.

Government securities emerged as the strongest London stock market sector yesterday, although equities experienced increased speculative activity with most of the business concentrated on shares outside of the leaders. Undaunted by further U.S. prime lending rate rises to 17 per cent and deriving encouragement from the marked turnround overnight in American financial markets, Gilt-edged investors set their sights on high-coupon longs.

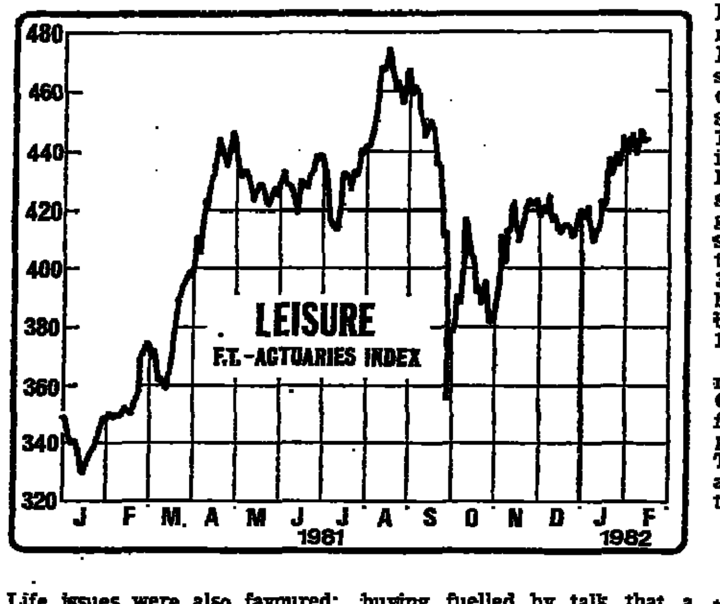
The demand impinged on markets acutely short of stock and caused quotations to respond readily. Rises of a point and more were quickly established and, with sterling maintaining a firm tone throughout, selected longs settled as much as 1½ points up. The presence of the tap stock checked the shorts and limited gains to a maximum of ½. The overall strength took the FT Government Securities index up 0.51 to equal last Thursday's six-month high of 65.24.

Wall Street's rebound on Tuesday from earlier sharply lower levels impressed London dealers and leading shares began in good fettle. Genuine investment interest was small, however, and market attention was soon diverted to a host of situation issues led by Inter-City Investment. Only 19½p last Friday morning, Inter-City roared up again yesterday to 60p before closing a net 14½ higher at 52p; bid speculation has intensified following recent announcements regarding share stakes changing hands.

Leading industrials, meanwhile, lost some of the initial sparkle but perked up in advance of Wall Street's opening. Although values were barely changed in the early trade yesterday, London's leaders edged forward to close at the day's best. The result was that the FT Industrial Ordinary share index, which had seen an initial rise of 5 points reduced to less than 3 points by noon, moved up again to close 6.4 higher on balance at 563.5.

Eagle Star up again

Further speculative buying fuelled by talk of a merger with a UK insurance company to deter a bid from the German Allianz group, helped Eagle Star to jump 20 more to a peak of 384p and once again feature a firm Insurance sector. Other Composites also made good progress on bid speculation with Sun Alliance notable for a rise of 16 to 908p. General Accident, 316p, and Phoenix, 244p, added 4 apiece.



Life issues were also favoured; Equity and Law stood out with a gain of 8 at 422p, while Refuge put on 6 to 248p.

Reflecting acute disappointment with the slashed final dividend and sharply lower annual profits, Gillett Bros. Discount plummeted 42 to 140p. Union lost 12 in sympathy to 423p. Elsewhere in the banking sector, Bank Leumi (UK) shed 20 to 230p following the lower profits. Trade in the major clearers remained fairly disappointing ahead of the dividend season which Lloyds starts tomorrow. However, the trend was to slightly higher levels, with Lloyds ending 2 better at 470p. Royal Bank of Scotland revived with a fresh speculative improvement of 4 to 125p.

Breweries edged higher despite a rather slow trade, Bass improving 3 to 225p and Scottish and Newcastle 1½ to 56½p.

Recently dull leading Buildings staged a modest rally. Blue Circle hardened 4 to 516p, RMC 3 to 234p and Redland 4 to 177p. Among secondary issues, renewed demand in a thin market lifted J. Jarvis 5 to a 1981-82 peak of 295p, but William Whittingham shed 2 to 140p awaiting today's annual results. John Laing attracted support, the ordinary and "A" adding 3 apiece to 74p and 73p respectively.

After opening a couple of pence firmer on Wall Street's overnight resilience, ICI slipped to 340p before picking up to close 2 dearer on balance at 344p. Fisons hardened 5 to 245p, while Croda International, in receipt of a 70p per share bid from Burmah Oil, added 3 to 82p, after 83p, following the announcement that the Board intends to write in detail in the course of the next week "about the group's excellent prospects for 1982 and beyond."

Goodman Bros jump

Goodman Bros. highlighted Stores, leaping 10 to 23p, after 24½p, on persistent speculative buying fuelled by talk that a large shareholding has recently changed hands and that a cash bid of 50p per share is imminent. A fair amount of interest was shown in some other secondary issues, notably Lincroft Kilgour where the appearance of a persistent buyer left the shares up 3 at 38p. Speculative support helped Ramar Textiles to harden 1½ to 9p and Arthur Henriques to close a similar amount dearer at 23p. Comet Radiovision Services, however, came on offer and fell 10 to 113p. Among the firmer leaders, House of Fraser, still hoping that a renewed take-over attempt from Lonrho would gain Monopolies Commission assent, rose 4 more to 166p.

Leading Electricals took a turn for the better but the volume of business again left much to be desired. GEC rose 10 to 830p, Thorn EMI advanced 6 to 463p, after 465p, and Philips' Lamps put on 7 to 492p.

Engineering leaders edged higher despite a fairly low level of trade, Hawker closing 6 to the good at 332p and GKN 4 dearer at 164p. Elsewhere, Birmid Qualcast, a good market of late, moved up 4 to 32p in response to the preliminary statement, while further considerations of the annual results left Howard Machinery 2 firmer at 26p. Moss Engineering rose 5 to 105p; the company announced yesterday that it had won a £1.3m Saudi Arabian contract. Ratcliffe Industries, a dull market earlier in the week on the interim results, rallied 4 to 32p, while Simon Engineering hardened 3 to 416p on the £1m order for biscuit-making machinery. Other bright spots included Richardsons Westgarth, 2 better at 24p, and Porter Chadburn, 3 up at 41p.

British Sugar jumped 11 to 408p in after-hours' dealings on rumours, later denied by the company, that it had sold its 14.7 per cent stake in Ranks Hovis McDougall, 2 dearer at 68p. Huntley and Palmer, in receipt of a bid currently worth approximately 103p per share from Rowntree Mackintosh, added 2 more to 110p. Elsewhere in the Food sector, Batleys of Yorkshire, a thin market, touched 78p on the appearance of an aggressive buyer before closing a net 12 up at 74p. Revived demand in a limited market lifted Danish Bacon "A" 8 to 98p, while Paterson Jenks, an old bid favourite, gained 5 to 81p. Simple, the subject of considerable speculative interest on Tuesday, touched 39p before closing ½ up on balance at 38p, while rumoured bidders Linfood improved 4 to 190p.

Consideration of the quarterly report stimulated support for Grand Metropolitan which firmed 4 to 187p. Savoy "A" put on 5 to 198p on hopes that Trusthouse Forte, a penny firmer at 112p, will renew its bid for the company.

Inter-City wanted

Inter-City Investment continued to make outstanding progress in miscellaneous Industrials, jumping to 60p and closing 14½ up at 52p on persistent buying fuelled by talk of a bid from Metan, the mystery investment concern which acquired a near-26 per cent stake in the company last week; Inter's board later denied knowledge of any bid developments. Revived talk of a bid or dawn raid from an American source helped Bowater to rise steadily and close 15 up at 263p. Renewed support ahead of the annual results, due on March 16, left J. Bibby a further 5 dearer at 340p, while Hoover "A" picked up 3 to 90p as did BTR, to 354p. Willaire Systems, the USM stock which fell 6 on Monday in sympathy with Eurofame's surprise suspension of dealings, rallied 2 to 11p. Bath and Portland picked up on the good figures to finish a net penny dearer at 51p, after 78p. Scotcros lost 4 to 100p in the wake of the chairman's share sales.

Demand ahead of the annual results, due on March 3, lifted Owners Abroad 1½ to 21½p. Elsewhere in the Leisure sector, Pleasurama, a strong market recently on the acquisition of Maxims Piccadilly casino, touched a 1981-82 peak of 427p before drifting off to close marginally easier on balance at 418p. Nimslo firmed 12 to 195p.

Selected Newspapers came in for renewed support and made useful progress, Associated rising 7 to 192p and Daily Mail "A" 12 to 380p. Liverpool Daily Post, preliminary results due on March 18, gained 7 to 147p. Paper/Printings displayed a firm feature in British Printing which jumped 4½ to 36½p; the chairman's reassuring progress report came after market hours. Still drawing strength from the company's latest U.S. acquisition, Geers Gross added 6 for a two-day gain of 14 to 126p.

Property issues again featured Peachey, which put on 7 for a two-day gain of 11 to 158p on vague dawn raid rumours. Elsewhere, second thoughts about the annual results left Crest International ½ dearer at 13½p, but United Real held at 470p despite the increased interim revenue.

Candecca feature

News of the onshore exploration agreement with Esso Petroleum prompted buying activity in Candecca which touched 198p before settling 11 higher on the day at 196p. Interest in other Oil shares remained at a low ebb. Among the leaders, British Petroleum took a modest turn for the better with an improvement of 4 to 290p, but Shell ended a couple of pence cheaper at 358p.

Among Trusts, Caledonia reflected recent strength in British and Commonwealth by improving 8 to 373p. Archimedes Income rose 2 to 74p and the Capital shares 11 to 60p following the statement by the Post Office Superannuation Fund regarding its holding in the company. R. P. Martin turned reactionary in money brokers and gave up 7 to 398p, but Mercantile House firmed 10 to 455p. P & O Deferred recovered to settle unchanged at 130p after reacting to 125p on the belief that the company's £80m order for a new cruise ship will temper bid enthusiasm.

Among Textiles, 1½ up at 21½p, R. Smallshaw continued to edge higher.

Golds decline

Gold shares opened firmer than expected yesterday, encouraged by some light South African interest and the early steadiness in the bullion price.

Later in the day, fears of further rises in U.S. interest rates depressed gold, which closed at $372.75 for a $2.75 fall, and shares reacted in sympathy. The Gold Mines index fell 5 to 269.6, the lowest for three weeks.

Stilfontein, Zandpan and Harmony led the declines in the cheaper issues with losses of around 17 apiece to 680p, 421p and 598p respectively, while falls in excess of 10 were common to Blyvoor, 476p, Ventersport, 370p, and Welkom, 478p.

Gold-based stocks fared worst among South African Financials, with "Amgold" down 1¼ to £35½, Gold Fields of South Africa losing ¾ to £31 and "Johnnies" ½ to £36.

Platinums suffered in sympathy, with Impala down a further 5 to 285p and Lydenburg 3 weaker at 142p, while Diamonds were also hit, as in "Anamint," down ½ to £39½, and De Beers, 5 lower at 351p.

Rio Tinto-Zinc were the one bright spot among London Financials and finished 9 to the good at 445p, after 450p; the results from the important Australian subsidiary CRA are expected today.

Tins held steady in thin trading, with speculative interest lifting Pengkalen 15 to 340p and Hong Kong 10 to 410p.

Interest in the Traded Options market waned considerably and the total of 838 contracts completed was the lowest of the year. Only 422 calls and 416 puts were arranged.

FINANCIAL TIMES STOCK INDICES

	Feb. 17	Feb. 16	Feb. 15	Feb. 12	Feb. 11	Feb. 10	A year ago
Government Secs.	65.24	64.63	64.79	65.04	65.34	64.58	69.50
Fixed interest	65.16	64.93	64.89	65.42	65.34	65.15	70.88
Industrial Ord.	563.5	557.1	564.1	570.5	572.0	573.7	489.3
Gold Mines	269.6	274.6	274.3	284.1	285.2	288.5	321.5
Ord. Div. Yield	5.43	5.50	5.43	5.39	5.37	5.35	7.36
Earnings, Yld.% (full)	9.63	9.78	9.68	9.56	9.47	9.44	16.37
P/E Ratio (net)(*)	13.56	13.42	13.56	13.68	13.83	13.88	7.47
Total bargains	18,133	18,549	19,791	19,031	19,698	17,514	22,327
Equity turnover £m.	—	120.24	105.77	185.92	183.19	182.00	133.79
Equity bargains	—	16,380	14,376	19,843	17,676	15,145	16,152

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

10 am 562.2. 11 am 560.3. Noon 560.1. 1 pm 561.8. 2 pm 562.8. 3 pm 562.8.

Latest Index 01-246 8026.

*Nil=12.06.

HIGHS AND LOWS / S.E. ACTIVITY

	1981/2 High	1981/2 Low	Since Compilat'n High	Since Compilat'n Low		Feb. 16	Feb. 15
Govt. Secs.	70.61 (28/5/81)	60.17 (28/9/81)	127.4 (9/1/35)	49.18 (3/1/75)	Daily Gilt Edged Bargains	208.7	221.0
Fixed Int.	72.01 (30/4/81)	61.61 (26/10/81)	150.4 (28/11/47)	50.53 (3/1/75)	Equities Bargains	106.1	93.1
					Value	243.0	213.8
Ind. Ord.	597.3 (30/4/81)	446.0 (14/1/81)	597.3 (30/4/81)	49.4 (26/6/40)	5-day Avrge. Gilt-Edged Bargains	187.9	182.2
Gold Mines	429.0 (14/9/81)	262.6 (23/6/81)	558.9 (22/9/80)	43.5 (26/10/71)	Equities Bargains	107.5	107.5
					Value	285.8	290.5

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. Date	1981/2 High	1981/2 Low	Stock	Closing price p	+ or –	Div. amount	Times covered	Gross yield	P/E ratio
‡30	F.P.	12/2	30	29½	Assets Special 10p	29½	—	[illegible]	[illegible]	[illegible]	[illegible]
—	F.P.	—	8	5	Do. Warrants 10p	6	–1	[illegible]	[illegible]	[illegible]	[illegible]
100	F.P.	12/2	99	95	Baillie Gifford'n Tst.	95	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
‡100	F.P.	—	39	36	Do. Warrants	39	+1	[illegible]	[illegible]	[illegible]	[illegible]
—	F.P.	—	345	315	Eldridge Pope £1	345	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
80	F.P.	13/1	84	81	Equip. 10p	83	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
—	F.P.	—	10	7	F&C Enter. Warrants	7	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
150	F.P.	4/1	168	156	Hayters £1	160	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
160	F.P.	5/2	90	89	Imm. Bus. Sys. 10p	90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
‡‡	F.P.	—	52	48	Malaysian Tin 5p	48	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
‡‡	F.P.	—	13½	4½	Peek Hlds.	13½	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
115	F.P.	29/1	131	117	Speyhawk 10p	131	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
—	F.P.	—	14	12	TSW 5p	14	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
—	F.P.	—	5	3½	Vinera 5p	4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46	F.P.	19/2	54	47	York Mount	54	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1981/2 High	1981/2 Low	Stock	Closing price £	+ or –
$100	£25	30/7	27¼	25¾	Barclays 16% Ln. 2002	27¼	+¼
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Churchbury Ests. 6.4% Cnv. Ln. 1985	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Do. 6pc Cnv. Ln. 1987	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Habitat 9¾% Conv. Uns. Ln.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Haslemere Est. 9pc. Conv. Uns. Ln.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Mid-Kent Water 9½% Red. Prf. 1987	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Nat'wide Bldg. Society	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Do.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Viners 10% Cnv. Loan 1988	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1981/2 High	1981/2 Low	Stock	Closing price p	+ or –
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	Nil	[illegible]	[illegible]	[illegible]	Davy Corp.	[illegible]	[illegible]
[illegible]	Nil	[illegible]	[illegible]	[illegible]	Energy Finance 10p	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Glass Glover	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Grt. Portland Ests.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Kwik-Save 10p	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	MEPC	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Smith St. Aubyn	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Steaua Romana (Brit.)	[illegible]	[illegible]
50	F.P.	19/1	[illegible]	[illegible]	Wearwell 5p	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. ● Figures or report awaited. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. || Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. ||| Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Dealings under special Rule. ‡ Unlisted Securities Market. ‡‡ London Listing. † Effective issue price after scrip. † Formerly dealt in under Rule 163(2) (a).

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
Associated News	192	+ 7	Gillett Bros.	140	—42
Batleys of York	74	+12	Goodman Bros.	23	+10
Bowater	263	+15	ICI	344	+ 2
British Sugar	408	+11	Inter-City Inv.	52	+14½
Candecca	196	+11	RTZ	445	+ 9
Eagle Star	384	+20	Telephone Rentals	340	+ 5

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of price changes	Tuesday's closing price pence	Day's change	Stock	No. of price changes	Tuesday's closing price pence	Day's change
Pleasurama	19	420	+25	Dowty	14	116	— 2
ICI	18	342	— 8	BP	12	286	— 4
GEC	17	820	— 3	Comm. Union	12	133	— 3
Shell Transport	17	358	— 4	Eagle Star	12	364	+ 4
Lasmo	16	325	—10	Lonrho	12	81	—
BAT Inds.	15	426	+ 1	Tricentrol	12	200	— 8
Beecham	15	230	— 6	Tube Invsts.	11	128	— 2

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Feb 22	Mar 5	June 3	June 14
Mar 8	Mar 19	June 17	June 28
Mar 22	April 2	July 1	July 12

For rate indications see end of Share Information Service

Money was given for the call of Inter-City, Eagle Star, Peachey Property, Manson Finance, Hepworth Ceramic, Britannia Arrow, Nimslo, First National Finance, Goodman Bros., Gulf Stream Resources, Smith St. Aubyn, Claremont, ICL and French Kier. Barratt Developments were dealt in for the put, while a double option was arranged in European Ferries.

NEW HIGHS AND LOWS FOR 1981/2

The following quotations in the Share Information Service yesterday attained new Highs and Lows for 1981-82.

NEW HIGHS (35)

BRITISH FUNDS (3)
Exchqr. 9¼pc 1982 Exchqr. 15pc 1997
Treas. 3pc 1986
CORPORATION LOANS (1)
LCC 5½pc 1982-84
COMMONWEALTH LOANS (2)
Aust. 5½pc '81-82 Aust. 6pc 1981-83
AMERICANS (1)
Quaker Oats
BANKS (1)
Wintrust
BUILDINGS (2)
Jarvis (J.) Lilley (F. J. C.)
CHEMICALS (1)
Plysu
STORES (3)
Asprey Lincroft Kilgour
Goodman Brothers
ELECTRICALS (2)
ESI London Sonic Tape
ENGINEERING (1)
Davies & Metcalfe A
FOODS (2)
Clifford's Dairies A Sainsbury (J.)
INDUSTRIALS (6)
Bath & Portland Lead Inds.
Hanson Trust 6½pc Conv. Riley (E. J.)
Inter-City Watsham's
INSURANCE (1)
Eagle Star
LEISURE (3)
Owners Abroad TVS N-V
Pleasurama
NEWSPAPERS (1)
Pearson Longman
PAPER (1)
BPC
TRUSTS (3)
Caledonia Invs. Pentland Inv.
International Inv.
OIL & GAS (1)
ORE

NEW LOWS (51)

AMERICANS (3)
Rexnord Tenneco 10pc Ln Stk
Simplicity Pattern
CANADIANS (2)
Gulf Canada Royal Bank of Can.
BANKS (1)
Gillett Brothers
BUILDINGS (2)
Lafarge Coppee Ramus
ENGINEERING (1)
Bailey (C. H.)
PROPERTY (1)
Lend Lease
TRUSTS (1)
New Aus. Inv. Trust
OIL & GAS (14)
Anvil Pet. Moonie Oil
Brit. Can. Res. New Court Nat.
Ceres Res. Osprey Pet.
Genoa Oil Sceptre
Gulfstream Res Canada Strata Oil
Magellan Pet. Tri Basin Res.
Marinex Pet. Woodside
MINES (26)
ERGO Leichardt Ex.
Elsburg Metals Ex.
Western Areas North Broken Hill
Western Deep Northern Kalgurli
Free State Dev. Oakbridge
Rand London Pacific Copper
Rand London Coal Pref. Pancontinental
Bond Corp. Renison
Endeavour Do. Defd.
Gold M. Kalgoorlie Seltrust
Greenbushes Tin West Coast
Jimberlana Whim Creek
Kalbara Anglo Dominion

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	78	—	14
Corpns. Dom. and Foreign Bonds	30	2	42
Industrials	222	252	883
Financial & Props.	68	104	344
Oils	23	46	47
Plantations	4	4	16
Mines	19	87	60
Others	28	78	40
Totals	472	573	1,440

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed Feb 17 1982 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues Feb 16 Index No.	Mon Feb 15 Index No.	Fri Feb 12 Index No.	Thur Feb 11 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (210)	369.56	+0.5	9.21	4.30	13.69	367.85	370.84	373.19	374.76	302.58
2	Building Materials (25)	325.55	+0.5	13.38	5.32	8.98	323.91	327.79	330.75	332.06	272.81
3	Contracting, Construction (28)	586.16	+0.2	15.58	4.83	7.55	585.27	588.44	589.00	589.73	467.08
4	Electricals (31)	1261.90	+0.7	7.28	2.28	17.56	1252.51	1259.32	1265.89	1268.11	995.13
5	Engineering Contractors (9)	513.55	+0.2	12.30	5.70	9.51	512.33	515.18	520.38	520.77	405.10
6	Mechanical Engineering (67)	195.05	+0.3	10.76	5.61	11.85	194.51	196.34	198.44	199.05	177.50
8	Metals and Metal Forming (12)	166.34	—	7.31	7.32	19.20	166.30	170.81	171.44	174.28	141.51
9	Motors (21)	98.78	–0.1	—	6.74	—	98.92	99.74	99.56	99.18	87.36
10	Other Industrial Materials (17)	400.39	+0.3	7.90	5.72	15.70	399.12	401.35	404.15	410.00	304.44
21	CONSUMER GROUP (198)	293.27	+0.7	12.47	5.64	9.83	291.21	292.89	295.38	296.42	246.07
22	Brewers and Distillers (21)	287.47	+1.6	16.36	6.79	7.35	282.91	285.81	289.64	290.56	269.64
25	Food Manufacturing (21)	282.02	—	14.87	6.07	8.07	282.02	282.16	284.67	284.56	228.40
26	Food Retailing (15)	611.92	+0.8	8.79	3.26	13.85	607.24	609.49	609.00	608.20	460.97
27	Health and Household Products (7)	374.11	+0.5	8.36	4.27	14.06	372.21	378.48	380.39	387.26	268.56
29	Leisure (24)	444.22	+0.2	9.17	4.97	13.73	443.50	445.65	447.82	446.26	350.31
32	Newspapers, Publishing (12)	513.39	+2.5	11.74	5.87	11.29	500.68	502.80	502.46	501.87	439.87
33	Packaging and Paper (13)	150.15	+2.2	13.32	7.18	8.97	146.99	149.08	147.28	148.27	121.78
34	Stores (45)	263.86	+0.4	10.92	5.12	12.23	262.85	264.48	267.60	268.75	254.62
35	Textiles (23)	169.00	+0.3	9.41	5.87	13.70	168.48	169.20	169.22	169.37	132.05
36	Tobaccos (3)	309.88	+1.6	19.55	8.41	5.83	304.92	304.42	309.66	310.78	224.79
39	Other Consumer (14)	272.15	+0.2	7.06	6.56	23.46	271.73	272.39	272.91	275.76	245.47
41	OTHER GROUPS (79)	257.17	+0.4	10.07	5.50	12.57	256.27	258.61	259.35	260.11	217.79
42	Chemicals (16)	348.49	+0.5	5.71	5.37	26.21	346.65	352.85	352.54	353.38	282.92
44	Office Equipment (4)	125.76	+0.7	13.67	6.83	8.78	124.86	124.61	128.42	129.39	101.26
45	Shipping and Transport (13)	575.38	–0.1	18.62	6.42	6.39	576.24	578.83	583.62	583.47	567.94
46	Miscellaneous (46)	316.09	+0.3	11.52	5.13	10.58	315.30	316.32	316.48	317.65	267.08
49	INDUSTRIAL GROUP (487)	314.79	+0.6	10.92	5.13	11.37	313.02	315.25	317.42	318.60	261.98
51	Oils (13)	670.16	+0.7	21.22	8.42	5.34	665.72	674.31	677.68	688.50	827.86
59	500 SHARE INDEX	343.79	+0.6	12.52	5.64	9.67	341.79	344.54	346.81	348.76	306.81
61	FINANCIAL GROUP (117)	261.85	+0.8	—	5.81	—	259.74	260.44	259.14	259.56	241.78
62	Banks (6)	290.06	+0.9	31.07	6.51	3.76	287.39	289.21	287.76	287.27	233.26
63	Discount Houses (9)	228.86	–1.5	—	10.96	—	232.29	232.88	235.80	236.10	305.98
65	Insurance (Life) (9)	259.26	+0.7	—	6.18	—	257.34	256.99	253.56	255.14	249.26
66	Insurance (Composite) (10)	165.20	+1.9	—	8.11	—	162.09	162.57	159.80	160.73	151.68
67	Insurance Brokers (7)	439.52	—	10.13	5.19	13.35	439.52	438.31	438.97	437.69	336.60
68	Merchant Banks (12)	150.62	—	—	5.42	—	150.55	150.28	151.56	151.23	148.92
69	Property (49)	458.94	+0.4	4.64	3.21	28.76	457.12	457.78	458.89	459.37	478.72
70	Other Financial (15)	188.11	+0.2	15.40	5.75	7.94	187.74	189.01	188.98	189.35	174.94
71	Investment Trusts (112)	313.79	–0.3	—	5.18	—	314.61	315.50	318.81	319.65	282.82
81	Mining Finance (4)	227.77	+0.7	15.13	6.24	7.96	226.25	228.84	230.90	233.10	212.73
91	Overseas Traders (17)	415.80	–0.9	12.58	7.67	9.70	418.72	419.56	433.72	438.99	448.56
99	ALL-SHARE INDEX (750)	324.97	+0.5	—	5.69	—	323.20	325.38	327.11	328.73	293.45

FIXED INTEREST

	PRICE INDICES	Wed Feb 17	Day's change %	Tues Feb 16	xd adj. today	xd adj. 1982 to date
	British Government					
1	5 years	108.09	+0.89	107.44	0.30	2.65
2	5-15 years	104.18	+0.95	103.20	—	2.11
3	Over 15 years	106.61	+1.24	106.53	1.25	2.00
4	Irredeemables	116.18	+0.99	115.03	—	0.80
5	All Stocks	105.97	+1.02	105.37	0.48	2.20
6	Debentures & Loans	82.13	+0.30	81.88	—	1.60
7	Preference	62.63	–0.24	62.77	—	1.56

	AVERAGE GROSS REDEMPTION YIELDS		Wed Feb 17	Tues Feb 16	Year ago (approx.)
	British Government				
1	Low Coupons	5 years	11.90	12.67	11.37
2		15 years	13.64	13.64	12.24
3		25 years	13.31	13.28	12.41
4	Medium Coupons	5 years	15.06	15.22	13.21
5		15 years	14.91	15.10	13.84
6		25 years	14.34	14.53	13.62
7	High Coupons	5 years	15.15	15.29	13.22
8		15 years	15.06	15.25	14.06
9		25 years	14.70	14.88	13.34
10	Irredeemables†		12.88	13.07	11.61
11	Debs & Loans	5 years	16.03	16.09	14.22
12		15 years	15.93	15.99	14.51
13		25 years	15.86	15.91	14.59
14	Preference†		15.73	15.69	14.40

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 26½p.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

Lloyds Bk. Unit Tst. Mngrs. Ltd. (a)
Registrar's Dept., Goring-by-Sea, Worthing, West Sussex. 01-623 1288

Balanced	78.3	80.1	−0.2	4.50
Do. (Accum.)	122.7	131.9	−0.3	4.50
Energy Int.	38.4	41.2	−0.3	2.46
Do. (Accum.)	39.4	42.3	−0.3	2.46
Extra Income	65.1	69.9	−0.2	8.53
Do. (Accum.)	92.6	99.5	−0.4	8.53
Income	102.1	109.7	−0.4	6.73
Do (Accum.)	168.2	180.8	−0.5	6.73
Int. Technology	77.3	83.1	−0.5	0.46
Do. (Accum.)	78.7	84.6	−0.5	0.46
N. American & Gen.	46.5	50.0	−0.2	1.39
Do. (Accum.)	47.9	51.4	−0.2	1.39
Pacific Basin	46.5	49.9	−0.1	0.55
Do. (Accum)	46.8	50.3	−0.1	0.55
Small Cos. & Recy.	59.8	64.2	−0.3	2.88
Do. (Accum.)	62.6	67.3	−0.3	2.88
Worldwide Gwth.	85.7	92.1	−0.4	2.37
Do. (Accum.)	115.3	123.9	−0.6	2.37

Lloyd's Life Unit Tst. Mngrs. Ltd.
2, St. Mary Axe, EC3A 8BP. 01-623 6114

Equity Accum. (2)	284.0	299.0	+1.2	3.98

Local Authorities' Mutual Invest. Tst.*
77, London Wall, EC2N 1DB. 01-588 1815

Property Fd. Jan. 31		158.50	.....	6.83
Wider Fd. Jan 31		288.65	.....	5.00
Narrower Fd. Jan. 31		73.40	.....	13.90

*Unauthorised. Available only to Local Authorities.

M & G Group (y)(c)(z)
Three Quays, Tower Hill, EC3R 6BQ. 01-626 4588

American	68.2	73.3	.....	2.61
(Accum. Units)	74.8	80.4	+0.1	2.61
American Recovery	78.0	83.5	.....	1.56
(Accum. Units)	81.3	87.0	.....	1.56
Australasian	69.9	74.8	−1.3	1.83
(Accum. Units)	73.9	79.1	−1.3	1.83
Commodity	119.9	128.3	−2.0	3.42
(Accum. Units)	144.4	154.5	−2.4	3.42
Compound Growth	182.4	198.8	−0.9	3.70
Conversion Growth	121.3	129.8	−1.4	2.75
Conversion Income	82.9	88.7	−0.4	8.51
Dividend	141.3	154.0	−1.1	8.72
(Accum. Units)	336.2	366.5	−2.6	8.72
European	59.9	64.1	.....	3.20
(Accum. Units)	67.4	72.1	+0.1	3.20
Extra Yield	90.7	98.2	−0.5	9.23
(Accum. Units)	151.7	165.4	−0.8	9.23
Far Eastern	107.6	115.1	+0.3	1.52
(Accum. Units)	124.3	133.0	+0.3	1.42
Fund of Inv. Tsts.	97.8	106.6	.....	4.60

Save & Prosper Group—Cont.

High Income Funds				
Gilt & Fxd. Int. Inc.	47.0	49.5	+0.1	12.56
High Return	68.6	73.8	−0.2	8.16
Income	43.0	46.3	−0.2	10.00
U.K. Funds				
Gilt & Fxd. Int. Grth.	52.7	53.3	+0.3	4.56
UK Equity	63.4	68.5	−0.3	4.00
Overseas Funds (z)				
Europe	77.2	83.1	+0.2	2.05
Japan	124.4	133.8	+0.5	0.10
S.E. Asia	75.6	81.3	+0.2	0.73
U.S.	114.6	123.3	−0.9	0.79
Sector Funds				
Commodity	117.8	126.7	−1.0	3.34
Energy	114.8	123.5	−1.6	1.59
Exploration Fund (z)	31.6	34.0	−0.9	0.26
Financial Secs.	101.0	108.7	−0.4	2.76
New Technology (z)	46.4	49.9	−0.2	0.25
Fixed-Interest Fund (z)				
Intl. Bond Fd.	61.0	65.1	+0.1	2.27
Exempt Funds				
Exempt Income*	217.9	223.7	.....	7.04
Exempt Intl.*	350.1	369.5	.....	0.91

Prices at Feb 10. Next sub day Feb 24.

Scotbits Securities Ltd.

Scotbits	47.9	51.7	−0.3	3.82
Scotyield	55.8	60.0	−0.3	7.31
Scotshares	83.9	90.7	−0.4	4.76

Schroder Unit Trust Managers Ltd.
48, St. Martins Lane, WC2. Dealings 0705 27733

Capital	170.2	183.0	−0.2	2.78
(Accum. Units)	223.3	240.1	−0.3	2.78
Income Fnd.	251.0	269.8	−0.5	7.16
(Accum. Units)	459.0	493.5	−1.0	7.16
Gen.	143.2	153.9	+1.0	3.78
(Accum. Units)	198.6	213.5	+1.3	3.78
Europe	22.5	24.1	.....	2.86
(Accum. Units)	27.2	29.2	.....	2.86
Smaller Co.'s	160.8	172.8	+0.8	2.38
(Accum. Units)	—	—	.....	—
American	51.5	55.3	−0.2	0.94
(Accum. Units)	51.6	55.4	−0.1	0.94
Tokyo	54.8	58.3	.....	0.38
(Accum. Units)	54.8	58.3	.....	0.38
Gilt & Fixed	44.2	46.5	+0.4	12.28
(Accum. Units)	48.4	50.9	+0.4	12.28
Australian	44.7	48.5	−0.8	3.86
(Accum. Units)	45.5	49.4	−0.9	3.86
Singapore & Malay	45.9	49.3	+0.8	1.27
(Accum. Units)	45.9	49.3	+0.8	1.27

INSURANCE PROPERTY BONDS

NOTES

FT SHARE INFORMATION SERVICE

LOANS

Public Board and Ind.

Financial

Building Societies

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

High	Low	Stock	Price £	+ or -	Int.	Red. Yield
101	92¼	Aust. 5½pc '81-82	102	+¼	5.56	14.36
86¾	82½	Do. 6pc 1981-83	88¼	+¼	6.55	14.14
67¼	57	N.Z. 7¼pc 1988-92	60½	+¼	12.17	15.07
81¼	74	Do. 7½pc '83-86	79½	+½	9.72	14.79
141	115	S. Rhod 2½pc Non-A.s.	140	-1	—	—
66	43	Do. 3½pc 65-85 Assd.	64½		5.56	17.60
43	26	Do. 4½pc 87-92 Assd.	35		12.86	19.40
395	320	Zimbabwe Ann (£100pa)	355	-2	—	23.98

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICALS

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

1981/82 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
420	210	Hunting Assoc.	242	......	5.0	5.8	3.0	6.1
160	75	Huntleigh 10p	111	+1	†1.5	4.2	1.9	13.5
226	120	Hutch Whamp $HK1	135	−1	tQ34c	2.7	2.3	17.1
15	9	Hyman (I. & J.) 5p	11½	......	‡0.83	0.1	‡	—
£20¾	£12⅞	I.C. Industries‖	£17⅞	......	Q$2.20	—	6.7	—
*61	16	ICL	49	+1	—	—	—	—
44	35	Ingall Inds. 10p	39½	+1	2.5	1.3	9.0	11.9
275	180	Initial Services	267	−2	†9.0	2.5	4.8	11.2
60	9	Inter-City 20p	52	+1½	—	—	—	—
130	39	J. B. Holdings 10p	130	......	†3.0	4.9	3.3	8.4
192	110	Jacksons Bourne	150	......	5.0	1.4	4.8	22.1
27	12	James (M.) Inds. 10p	23½	+1	†1.0	3.3	6.1	5.5
248	118	Jardine M. $HK5	153	−3	†Q88c	2.0	5.3	9.6
25½	15	Jentique	20½	......	1.3	0.1	9.1	—
257	152	Johnson Clnrs.	224	−2	†7.0	3.4	4.5	7.4
*300	186	Johnson Mthy. £1	260	−5	9.5	2.3	5.2	(9.6)
92	57	Jourdan (T.) 10p	80	......	5.25	1.8	9.4	8.3
81	37	Kalamazoo 10p	44	......	2.5	0.9	8.1	20.4
170	128	Kelsey Inds.	155	......	8.0	2.1	7.4	8.9
152	112	Kennedy Sm. 10p	147xd	−3	†4.38	4.1	4.2	7.8
330	225	Kershaw (A.) 5p	295	−5	21.75	♦	11.1	♦
75	43	Keen-E-Ze Hldgs.	43	......	5.5	0.7	17.7	(0.8)
75	55	L.C.P. Hlds.	65	−1	4.3	0.8	9.4	(19.8)
48½	37	L.R.C. Int. 10p	44xd	−1	2.5	1.6	8.1	10.0
56	32½	Lawtex	44	......	1.5	—	4.9	—
184	116	Lead Inds. 50p	184	+3	9.66	1.4	7.5	12.4
125	55	Leadenhall Sterling	120	......	†3.5	1.5	4.2	20.0

INSURANCE

LEISURE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

MINES—Continued

Central African

1981/82 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
650	85	Falcon Rh.50c	90	+5	Q25c	10.3	20.7
135	60	Roan Cons. K4	60	......	♦Q0.13	5.0	—
59	23	Wankie Col. Rh.1	23	......	Q3c	1.2	9.7
32	19	Zam.Cpr.SBD0.24	20	......	—	—	—

Australian

1981/82 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
53	32	Acmex 50c	46	......	Q4c	—	5.4
42	14	ACM 20c	16	+1	—	—	—
21	4½	Argosy Gold NL 25c	4½	−½	—	—	—
229	129	Bond Corp.	129	−7	Q10c	2.3	4.9
112	63	Bougainville I Kina	65	......	Q6½c	♦	6.0
302	150	CRA 50c	152	−3	Q19c	1.7	7.6
25	9	Canada Northwest	12½	......	—	—	—
35	11	Carr Boyd 20c	11	−1	—	—	—
425	36	Central Pacific	37	+1	—	—	—
35	3	Cons. Gold Min. N.L. 25c	3½	+½	—	—	—
47	13	Cultus Pacific N.L.	15½	−½	—	—	—
68	19	Eagle Corp. 10c	19	......	—	—	—

Tins

Copper

Miscellaneous

1981/82 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
175	20	Anglo-Dominion	20	−10	—	—	—
25½	12	Burma Mines 10p	14½	......	0.75	0.9	7.4
330	80	Colby Res. Corp.	80	......	—	—	—
330	200	Cons. Murch. 10c	290	......	Q60c	♦	11.0
10	5	‡‡Explaura Gold	7	......	—	—	—
98	47	††Hemerdon 10c	60	......	—	—	—
180	65	Highwood Res.	85	−5	—	—	—
505	205	Northgate C$1	210	......	—	—	—
633	372	R.T.Z.	445	+9	16.0	2.3	5.1
£130½	£93½	Do.9½%Cu.Un.Ln.'95-2000	£103	+1½	Q9½%	—	†9.3
103	13	††SPD Minerals 10p	18	......	—	—	—
47	15	Sabina Inds. C$1	17	......	—	—	—
44	21	‡Southwest C. 10p	33	......	—	—	—
650	355	Tara Exptn. $1	425	−25	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- ‡ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(2)(a); not listed on any Stock Exchange and not subject to any listing requirements.
- ‡‡ Dealt in under Rule 163(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. ★★ Available only to UK pension schemes and insurance companies engaged in pension business. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend; cover based on previous year's earnings. v Tax free up to 30p in the £. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1981-82. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1982. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.
Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	42	......			
Bertrams	17#	......	Conv. 9% '80/82	£94⅝	......
Bdg'wtr. Est. 50p	420	......	Nat. 9¾% 84/89	£65	......
Craig & Rose £1	£12⅝	......	Fin. 13% 97/02	£73⅜	......
Finlay Pkg. 5p	26	......	Alliance Gas	70	......
Graig Ship. £1	£21	......	Arnott	215	......
Higsons Brew.	68	......	Carroll (P.J.)	75	+1
Holt (Jos) 25p	555	......	Concrete Prods.	90	......
I.O.M. Stm. £1	110	−10	Helton (Hldgs.)	22½xd	......
Pearce (C. H.)	£10½	......	Irish Ropes	37	......
Peel Hldgs.	122	......	Jacob	68	......
Sheff. Refrshmt	85	......	T.M.G.	13	......
Sindall (Wm.)	200	......	Unidare	54	......

(IRISH heads the right-hand list.)

OPTIONS

3-month Call Rates

Industrials					
Allied-Lyons	8	House of Fraser	15	Utd. Drapery	7
BOC Intl.	15	I.C.I.	24	Vickers	16
B.S.R.	8½	"Imps"	8	Woolworths	5
Babcock	16	I.C.L.	5½	**Property**	
Barclays Bank	42	Ladbroke	15	Brit. Land	7½
Beecham	21	Legal & Gen.	19	Cap. Counties	10
Blue Circle	48	Lex Service	10	Land Secs.	28
Boots	19	Lloyds Bank	42	MEPC	20
Bowaters	24	"Lots"	6½	Peachey	14
Brit. Aerospace	17	London Brick	7	Samuel Props.	11
B.A.T.	38	Lucas Inds.	20	Town & City	3½
Brown (J.)	7	"Mams"	12	**Oils**	
Burton Ord.	15	Mrks. & Spncr	12	Brit. Petroleum	26
Cadburys	9	Midland Bank	30	Burmah Oil	10
Courtaulds	8	N.E.I.	9	Charterhall	6
Debenhams	7	Nat. West. Bank	38	KCA	14
Distillers	15	P & O Dfd.	14	Premier	6
Dunlop	6½	Plessey	32	Shell	30
Eagle Star	31	Racal Elect.	35	Tricentrol	22
F.N.F.C.	4	R.H.M.	6½	Ultramar	38
Gen. Accident	28	Rank Org. Ord.	20	**Mines**	
Gen. Electric	65	Reed Intnl.	26	Charter Cons.	25
Glaxo	42	Sears	6	Cons. Gold	45
Grand Met.	17	Tesco	5½	Lonrho	7
G.U.S. 'A'	45	Thorn EMI	42	Rio T. Zinc	42
Guardian	25	Trust Houses	11		
G.K.N.	15	Tube Invest.	19		
Hawker Sidd	30	Turner & Newall	11		
		Unilever	55		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 34

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

FINANCIAL TIMES

Thursday February 18 1982

Knight to head Stock Exchange

By Ray Maughan

MR JEFFREY KNIGHT has been appointed chief executive of the Stock Exchange to succeed Mr Robert Fell who is on secondment as the Commissioner for Securities and Commodities in Hong Kong.

Mr Fell has been chief executive of the Stock Exchange since the post was created in 1975. He is to continue as Commissioner at the request of the Hong Kong Government. The London Stock Exchange yesterday it agreed to Mr Fell's release "with regret."

His successor has been joint deputy chief executive with Mr John Watson since 1976 and has been acting as chief executive since mid-November when Mr Fell went to Hong Kong.

The Hong Kong Government asked the London Stock Exchange late last September for assistance in supervising its volatile securities markets for six months while a permanent commissioner is recruited.

Mr Fell, aged 60, will relinquish his post in London on March 24. In the following month, the Stock Exchange expects that the attack by the Office of Fair Trading on its rule book, and in particular on the practice of charging minimum commissions on share transactions, will enter another stage.

The OFT is then expected to respond to the Stock Exchange's statement of case filed with the Restrictive Practices Court last March. The action comes before the court some time in 1984 in what is widely expected to be the largest case in English civil legal history.

Mr Fell played a leading role in defending the rule book and Mr Knight said yesterday that he expected the OFT probe to be the "dominating issue" of his stewardship.

Mr Knight, aged 46, is a member of the Department of Trade panel on Company Law revision, a UK delegate to the International Federation of Stock Exchanges and an adviser to the Council for the Securities Industry.

Men and Matters, Page 22

3,500 arrested in Polish alert

BY OUR FOREIGN STAFF

POLISH security forces have arrested and detained 3,500 people in the past 48 hours in a nationwide tightening of the martial law regulations.

Polish radio said yesterday that regular and voluntary police units conducted a security check of more than 50,000 shops and factories and 30,000 cars in the past two days.

About 99,000 people had their identity cards checked, and a further 29,000 were "reminded of their duties."

Giving details of the security sweep, the Polish news agency PAP admitted that public adherence to the martial law decrees was "not the best." The most common violation was ignoring the 10.00 pm-5.00 am curfew in cities.

The clamp down followed weekend street demonstrations in Poznan in western Poland, an explosion in Wroclaw and the discovery of a bomb near a Communist Party office in Lublin.

The curfew and other restrictions, however, have been relaxed in Gdansk, the Baltic port city, and birthplace of the Solidarity trade union movement. Gdansk was the scene of major street clashes a fortnight ago.

As the authorities moved to tighten control, the Communist Party—largely overshadowed by the military since the takeover—has heard a fresh call for a major purge of its already depleted and demoralised ranks.

Mr Albin Siwak, a leading conservative member of the party politburo, has called for a clear-out of "unreliable persons, careerists, and persons whose action has harmed the party."

In a speech to party activists reported in the official Press yesterday, Mr Siwak said a purge was one of the most urgent tasks facing the forthcoming meetings of the party's policy-making central committee.

He said action should be taken against Poland's former leaders, Mr Edward Gierek, the deposed party chief, and Mr Piotr Jaroszewicz and Mr Edward Babiuch, two of his former prime ministers, were among 32 ex-party and government officials arrested when martial law was imposed on December 13.

Zolnierz Wolnosci, the daily newspaper of the Polish armed forces, added its voice yesterday against "the coterie which ruled the country in the 1970s" and piled up huge debts to the West. The paper claimed that in those years Poland had allowed itself to be exploited.

● The Polish Government reported yesterday that industrial production fell 17.5 per cent in January — the first full month Poland spent under martial law — compared with December 1981. But coal production rose 8.8 per cent. Coal is the country's most important earner of hard currency.

Pay packets squeezed by 4½% drop in real value last year

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

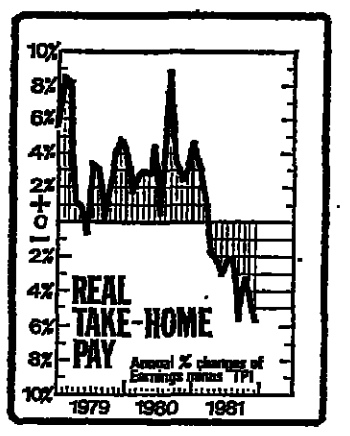
THE REAL value of take-home pay fell by about 4½ per cent last year, official figures suggest.

Average earnings in December were about 11 per cent higher than a year earlier, after allowing for distortions. However, the tax and price index, which measures the take-home pay needed to keep level with prices, had risen by 15.6 per cent.

The difference between the two—4½ per cent—is a broad measure of the squeeze on earnings.

The average earnings index for the month, released by the Employment Department yesterday, was 9.9 per cent higher than a year earlier. After allowing for some special factors a year ago, it appears that the underlying rate of increase in total earnings has remained steady at 11 per cent for about five months.

Total earnings were pushed up last year by the increase in overtime worked and by the reduction of short-time working. However, this was offset by the tendency towards lower pay settlements.



The Confederation of British Industry said yesterday that pay settlements in manufacturing industry averaged 7.2 per cent in January, compared with 6.7 per cent in November.

After an initial fall in the autumn, settlements in this pay round appear to have stabilised at about 7 per cent.

About half of the workforce can be expected to receive annual pay increases before May and most of the remainder before August.

The largest number of settlements reported to the CBI remains in the range of 4-6 per cent. In the current pay round, settlements have been about 1 or 2 per cent lower than they were a year ago.

This picture is broadly confirmed by the Employment Department figures, which show that basic weekly rates of pay in January were 6 per cent higher than a year earlier. This compares with an annual increase of 7 per cent in the year to December and of 9½ per cent to August.

Lower wage settlements and recent improvements in productivity have combined to hold the increase in manufacturers' labour costs per unit of output to less than an annual rate of 4 per cent.

In the final quarter of last year the annual rate of increase of unit labour costs was 3.8 per cent, compared with an average of 6 per cent in the three months to August, and 3.6 per cent for September, October and November.

CBI leader gloomy, Page 6

'Private telecom' project in jeopardy

By Jason Crisp

MERCURY, the £50m joint-venture project for a rival telecommunications network to compete with British Telecom has run into difficulties again. An announcement that Mercury had been granted a licence scheduled to be made today has had to be postponed.

Cable and Wireless, BP and Barclays Merchant Bank, making up the consortium, suddenly conducted a major review of its viability this week. Most preparation of the project was by Cable and Wireless.

It relied heavily on the network's being allowed to connect to public international switched circuits, though the Government has always made clear that this is not possible at present.

The licence was delayed for two months while Cable and Wireless tried to negotiate for international circuits.

It will have access to international private circuits and will link to international satellites from its own Earth station.

Last week it dropped its stipulation on the international side. The consortium is thought to have been given about a week to decide whether it wants the licence.

The licence delay occurred when the consortium tried to insist on access to international switched circuits.

Its members reviewed the planned system in considerable detail at meetings this week.

The initial proposal was to link seven business centres with an all-digital advanced communications network using optical fibre cable laid along railway tracks. The fibres could carry up to 8,000 telephone conversations, data or video conferences.

Eliminate jargon, civil servants told

By Robin Pauley

THE GOVERNMENT yesterday launched a drive to reduce the number of official forms and leaflets with which the public has to deal — currently more than 2bn a year—and to simplify the remainder.

It has published a White Paper aimed at persuading civil servants to take the jargon, gobbledegook, legal terminology and interminable sentences out of the 100,000 different types of forms in use.

The aim is to have forms and leaflets rewritten and redesigned so that even the semi-literate can cope.

To this end, the Inland Revenue has published a list of 120 words thought to be too difficult for the semi-literate.

Lady Young, Cabinet Minister responsible for the Civil Service, said a review initiated by Sir Derek Rayner had shown that of 93 forms checked, 26 needed scrapping and another 50 rewriting. This would save £300,000 and mean 5m fewer forms going out this year.

Sir Derek is Mrs Thatcher's personal adviser on waste and bureaucracy in Whitehall. He is sanguine about the chances of ever getting civil servants to produce short simple forms which are only sent out when absolutely necessary. He concludes his report, which is summarised as an annex to the White Paper, with this advice to top managers who receive bad forms: "Tear them up."

Fewer and better forms needed, Page 7

Ford Halewood productivity up

BY HAZEL DUFFY AND JOHN LLOYD

FORD WORKERS at Halewood, Merseyside, have increased productivity substantially on the Escort car this year.

It is expected that the XR3, high-performance version of the Escort, will soon be introduced to Halewood for the first time since it was launched.

The XR3 is produced at Saarlouis, Ford's plant in West Germany, where it has tended to concentrate production of high-specification cars.

The increase in productivity at Halewood—which has always lagged behind Saarlouis—and continuing improvement in quality of the cars produced there is believed to have swayed Ford management.

The XR3 version accounts for 10 to 15 per cent of Escort sales in the UK.

Productivity at Halewood has long been a problem for Ford. The 956-a-day schedule for the Escort set at the launch of the model in September 1980 was only infrequently met.

Average production last year was 700 to 750, says Ford management, though the plant can produce 1,150 a day.

This year the plant has hit its target consistently, sometimes topping 1,000 Escorts a day. The reasons are hard to explain, though management is mindful that performance has fluctuated in the past and this may not necessarily herald a long-term improvement.

Ford plans a 10 per cent improvement in labour productivity year on year for the next four years. There has been an average 4 per cent annual improvement in recent years.

Capital investment in the period 1981-85 is scheduled at £1.4bn, which will include substantial spending on automation equipment. The trade unions have been told that Ford does not expect to have to make redundancies as a result of automation.

Meetings of the joint works committees to begin negotiations on the productivity measures agreed last month as part of the wages deal began last week.

Ford thinks it can reach agreement on ending restrictive practices and inefficient working in some plants, but is prepared to impose changes without agreement if necessary.

The company estimates that the pay deal, which added 7.4 per cent to wages, improved pensions, and brought in a 39-hour working week from June, cost it 11.1 per cent.

Prime rates rise

Continued from Page 1

Reagan in his current uncompromising mood.

A further airing of transatlantic differences in Washington is likely to occur after the arrival today of Count Otto Lambsdorf, the West German Economics Minister. He is expected to raise the interest rate issue, but is likely to concentrate his discussions on the controversial natural gas pipeline from the Soviet Union to Western Europe. The Reagan Administration strongly opposed this.

The Europeans feel that Mr Reagan may be unaware of the potential for political and social upheaval in Western Europe if high unemployment and stagnant growth are allowed to persist.

Mrs Colette Flesche, the Luxembourg Foreign Minister, said in Washington yesterday that Europeans could not forget that it was the economic crisis in the 1930s that brought about the rise of Nazism and Fascism and the decline of democracy. She believes that to many Europeans this memory is more important than the Soviet threat.

William Hall writes: The rise in U.S. prime rates had little impact on Europe's financial markets yesterday and interest rates generally were slightly easier. Three-month Eurodollar rates were 1/16 lower at 16⅞ per cent and UK money market rates were mostly unchanged.

The prime rate increase helped the U.S. dollar finish at DM 2.3990, its best level of the day against the West German currency. However, it was slightly easier against the Japanese yen at Y240.50, compared with Y240.60 on Tuesday, and lost 40 points against sterling, closing at $1.8355. The pound's effective exchange rate, as measured by the Bank of England, rose 0.1 to 91.7.

The UK gilt-edged market shrugged off the higher U.S. interest rates and the FT Government Securities index rose 0.51 to 65.34, equalling last Thursday's six-month peak.

Schemes for Channel link fall short

BY LYNTON McLAIN, TRANSPORT CORRESPONDENT

NONE OF the schemes submitted by private sector companies and British Rail for fixed links across the English Channel fully meets the Government's criteria, Mr David Howell, Transport Secretary, told the House of Commons Transport Committee yesterday.

Nevertheless, Mr Howell said he favoured approval for a fixed Channel link. He confirmed to the select committee that the Anglo-French study group set up by Mrs Thatcher and President Mitterrand late last year would submit its final report early in March, with a decision in principle on a fixed Channel link.

France is widely expected to finance a link, if it is given the go-ahead by the study group, through public funds. Mr Howell confirmed to MPs that Britain will support its share of a scheme only if it is finished entirely by the private sector and with no recourse to public funds.

Britain is prepared to offer private-sector promoters "some guarantee or indemnity against a political decision to cancel the project," Mr Howell said in written evidence to the committee.

The Government also recognised that "some associated public sector investment by British Rail or on the roads may be necessary."

The French Government has told Mr Howell that if a fixed link went ahead, it would insist on a guarantee that Britain would reimburse France if there was a political cancellation by Britain or the tunnel or bridge construction company failed to finish the project. France would provide a similar guarantee to Britain.

Six groups submitted schemes for tunnels and bridges to the Transport Department but none has been able to produce more than an outline of its financing plan, the MPs were told.

The groups are British Rail, in partnership with French Rail and the private-sector European Channel Tunnel group; Channel Tunnel Developments (1981), the Tarmac and Wimpey joint company; Cross-Channel Contractors, led by Taylor Woodrow; Euro-Route, the British Steel consortium for a £3.8bn combined bridge and tunnel scheme; Linkintoeurope and Eurobridge.

Some have insisted on completion guarantees and guarantees of revenues from BR and French Rail.

Mr Howell said that if the study group decides in favour of a bored tunnel, a hybrid Bill would be needed. Work could be underway by November this year, he added. The more complex, untried schemes for bridges and other tunnels would need a "much longer timetable."

Weather

UK TODAY

CLOUDY with some rain. Light snow on high ground in most areas. Continuing cold.

S.W., N.W. Scotland, Argyll, N. Ireland
Cloudy, mainly dry. Max. 4C (39F).

Rest of Scotland, England, Wales, Channel Isles
Cloudy, occasional light rain. Some snow on hills. Max. 5C (41F).

Outlook: continuing cloudy with some rain. Temperatures below normal.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	C	15	59	L. Ang.†	C	14	57
Algiers	F	14	57	Luxmbg.	C	0	32
Amsdm.	C	1	34	Luxor	S	22	72
Athens	F	11	52	Madrid	S	9	48
Bahrain	S	18	64	Majorca	S	14	57
Barclna.	R	12	54	Malaga	F	15	59
Beirut	S	12	54	Malta	C	16	61
Beirut	S	13	55	Mchstr.	R	3	37
Belfast	R	3	37	Melbne.		—	—
Belgrd.	S	5	41	Mx. C.†		—	—
Berlin	S	3	37	Miami†		—	—
Biarritz	F	10	50	Milan	R	7	45
Bmghm.	C	2	36	Montr'l†	F	−13	9
Blackp'l	C	3	37	Moscow	Sn	−6	21
Bordx.	C	9	48	Munich	C	−1	30
Boulgn.	C	2	36	Nairobi	F	29	84
Bristol	R	3	37	Naples	C	14	57
Bruss'ls	C	2	36	Nassau		—	—
Budpst.	S	4	39	Nwcstl.	R	4	39
Cairo	F	18	64	N. York†		—	—
Cardiff	Sn	2	36	Nice	R	12	54
Casbca.	F	16	61	Nicosia	S	14	57
Cape T.		—	—	Oporto	F	12	54
Chicg.†	F	−3	27	Oslo	S	−1	30
Cologne	C	3	37	Paris	C	3	37
Conhgn.	C	−3	27	Perth	S	23	73
Corfu	S	15	59	Prague	C	3	37
Denver†	F	4	39	R'kjvk.	R	7	45
Dublin	R	3	37	Rhodes	S	12	54
Dbrvnk.	C	12	54	Rio J'o†		—	—
Ednbgh.	R	3	37	Rome	C	15	59
Faro	S	16	61	Salzb'rg	S	4	39
Florence	C	15	59	S'cisco†	F	12	54
Frankf't	C	3	37	S. M'ritz		—	—
Funchal	C	19	66	Singapr.		—	—
Geneva	C	3	37	S'tiago†		—	—
Gibrltr.	S	16	61	Stckhm.	C	−1	30
Glasg'w	C	4	39	Strasb'g	S	4	39
G'msey	R	2	36	Sydney		—	—
Helsinki	C	−1	30	Tangier	F	16	61
H. Kong	S	19	66	Tel Aviv	S	14	57
Innsbr'k	S	8	46	Tenerife	C	20	68
Invrnss.	C	−1	30	Tokyo	R	4	39
I.o.Man	C	4	39	Tor'nto†	F	−7	19
Istanbul	S	8	46	Tunis	C	11	52
Jersey	Sl	2	36	Valencia	C	11	52
L. Plms.	C	18	64	Venice	C	9	48
Lisbon	C	9	48	Vienna	S	4	39
Locarno	R	6	43	Warsaw	S	−1	30
London	R	3	37	Zurich	C	1	34

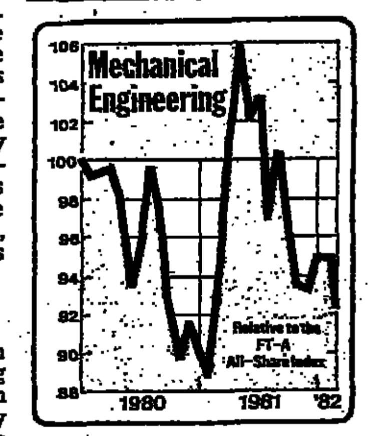
C—Cloudy. F—Fair. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

THE LEX COLUMN

Golden hangover on the Cape

The gilt-edged market is still short of stock, particularly at the untapped long end, and the return of some poise to U.S. bonds allowed it to make further progress yesterday. The general rise in U.S. prime rates to 17 per cent was well discounted, and the markets were more interested in the very sharp fall in U.S. industrial output in January and the Fed's accommodating stance in the money market. British equities, too, closed at their best levels of the day.

Index rose 6.4 to 563.6



South Africa

The decision by the South African authorities to unpeg commercial lending rates from the official bank rate is clearly designed to kill several birds with one stone—and perhaps to lay the blame for their death on someone else.

The weakness of gold and other commodity prices has confronted South Africa with the prospect of a current account deficit which, on an average gold price assumption of $400, might total R3bn or more this year. The Reserve Bank is already working hard to defend the Rand's one-to-one parity with the dollar—after a 25 per cent fall in the currency in 1981—and could probably not afford to let its net foreign exchange reserves fall much further without recourse to more gold swaps with foreign central banks. At the current gold price, this is not an attractive option.

The authorities have already sought to plug the current account gap by pushing public sector borrowers abroad for funds and, most recently, slapping on an import surcharge. A modest drawing on the IMF has also been arranged. But in the last resort the Government needs to make the prospect of speculating against a managed float for the currency less enticing. This it may now have achieved.

Allowing commercial banks to lift prime rates from 17 to 18 per cent should also help to rein in a level of credit demand which still bears the mark of the great gold boom. Short-term rates have roughly doubled in a year, and money supply growth has slowed down in recent months, but the incremental annualised rate of increase is still around 15 per cent.

In progressively dismantling its money market controls, the Reserve Bank is following a path already trodden by Western central banks. Besides making it easier to fund this year's budget deficit, the Bank may effectively shift the blame for high interest rates away from the politicians.

BPC

BPC has moved out of the terminal ward and is now recovering strongly. That is the characteristically ebullient message in a newsheet being circulated to staff, shareholders, customers and suppliers which manages to mention the name of chairman Mr Robert Maxwell no less than 20 times. The group apparently made a profit of about £4m in the second half of 1981 after losing over £8m in the first. And it says that profits of between £15m and £20m would not be unreasonable on annual sales of £250m.

With so much good news about, it may seem churlish to criticise the release of price sensitive information in this way. The bulk of yesterday's 4½p rise in the share price to 36½ came before the formal stock exchange announcement. And the progress report leaves a number of unanswered questions — such as how a company which started the year with enormous capital gearing and subsequently made losses has managed to finance investments or leasing commitments which are put at £28m. The market capitalisation is now £43m, which is three times last year's low point.

Birmid Qualcast

The stock market has been looking for some sign of a recovery at Birmid Qualcast for several years and yesterday's preliminary statement at last provided it. Memories of the £1.8m interim loss have been almost washed away by a pre-tax profit of £1.6m for the year to October and the dividend has been held for the first time in three years.

Birmid's return on capital is still pretty negligible and the dividend is being paid out of reserves but the news was good enough to push the share price 4p higher to 32p yesterday. Almost all the improvement from the previous year's profit of £225,000 arises from reorganisation and closures. Foundry capacity has been roughly halved over the past three years and break-even levels are now much lower.

Birmid's recovery is still tenuous. Foundries broke even in the second half but have since been blown off course by de-stocking and the Austin-Morris strike. But the balance sheet is stronger, mostly thanks to working capital shrinkage, and the dividend seems quite soundly based. With a following wind, Birmid could be back to £6m pre-tax this year, giving nearly 4½p of earnings on a full tax charge. The yield is 7 per cent.

Gillett Brothers

Gillett Brothers is a more cautious discount house than Smith St Aubyn, but it seems to have been equally wrong-footed by the gilt-edged market last year. It realised about £½m of losses here in the autumn, while a further £½m or so is still unrealised. So Gillett has had to make a transfer from its hidden reserves in order to publish an earnings figure—of £0.2m compared with £0.6m—which covers the halved dividend.

Gilts apart, the turnround in interest rates in the autumn seems to have caught Gillett with a longish commercial bill book, showing an average maturity of perhaps two months. This may have cost it £¾m, and has probably not been recouped with much to spare in better trading before and since, even though its financial year covers the month of January in which Smith claims to have made good progress. It looks as if Gillett has gone through all the £1m-odd profit made from the sale of its Kirkland - Whittaker money broking business. The shares fell 42p yesterday to 140p, well below true net assets. But further concentration in the sector may not involve much in the way of takeover premiums, and Gillett cannot afford to make any big mistakes.

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